

The Mining Journal

ANALYSIS OF RAND AND O.F.S. QUARTERLIES

WHAT IS A FAVOURABLE CONTEXT FOR A REVIVAL IN GOLD SHARES?

DECEMBER QUARTERLIES RESTORE CONFIDENCE

After the long bull market in industrial ordinary shares reflected in the present high—but gradually declining—share prices on both sides of the Atlantic, there has been an increasing tendency on the part of investors to hark back on the great "crash" of 1929. Not that the conditions then and now are sufficiently similar to provide strong enough data to force decisions. They are not. But that the same kind of thinking is now taking place both on Throgmorton and Wall Streets could be significant for all those interested in the South African gold share market.

DEFLATION AHEAD

Why this is so requires only a short explanation. The price of gold is fixed. Inflationary pressures manifest themselves in higher costs of labour and materials thereby squeezing profit margins. Essentially this has been the background against which gold shares have been viewed for several years. But signs much bigger than an institution's investment portfolio are now appearing on the horizon pointing to deflation ahead. Indeed, every decisive fiscal decision the Government has taken in the last year has been directed towards disinflating the too buoyant U.K. economy. Sudden threats to continued prosperity such as the raising of the Bank Rate naturally leads to the expectation that if the move was worth making at all it must work quickly. Because results were not impressive in the short run, sceptics took the view that the measures were wrong-headed and had failed. Yet evidence now coming to light reveals the bite in the credit squeeze. The automobile industry in particular has felt the draught and though exaggerated versions of its likely repercussions on the economy may have distorted the true situation, the resultant blow to confidence gave pause for reflection on the future course of the economy.

Consumer goods industries, where hire purchase arrangements play a large part, are also feeling the pinch and these sections have become weak markets. The list is extending—and rightly. There is now no doubt of the Government's determination to combat inflation and that further sterner monetary measures will be introduced shortly. Pressure is also to be directed towards reducing government spending in the public sector of the economy which, in 1954, constituted more than one half of the nation's total investment. Any appreciable diminution of expenditure on this account should in itself go some way towards blowing the froth off the top of the economy.

The difficult point to remember is that the Government's aim—taken by and large—is to cut back consumption in order to eliminate all complications standing in the way of productive investment although even here the scope and extent of such investment must be kept in check. On the obverse side it can be shown that whatever the Government may do now, the year ahead will not show much reduction in the tempo of industrial activity. Wages will continue to rise and although it is hoped to offset this inflationary factor by a greater increase in production, the fact that this country's level of industrial activity must ultimately depend on the tonnage output of coal limits the pace of production.

In many ways it does not really matter how and when the precise time will arrive when the savings and investments

equation is in balance; the critical point is that they are now badly out of balance and it is that, whatever else the short term future holds, markets will reflect and discount in the prices over the coming months.

All this only adds up to foreshadowing the beginning of a bear market of uncertain duration for industrial shares. But that being so there will be a weight of funds seeking alternative investment outlets.

Whether or not these funds will find their way into the South African gold share market depends largely on the political and economic position of the Union in general and the gold mining industry in particular. Recently, Mr. Louw, when reviewing conditions in South Africa stated that the country's economic and financial position was sound and that there was no reason for lack of confidence in the gold mining industry. It was not mere chance that the Union's economic and financial position was so closely linked by the Minister to the gold mining industry. The consistently optimistic declarations at government level in recent months that all import controls will be dispensed with by 1957 depends primarily on the mining industry which is the chief source of foreign exchange earnings.

GOLD—THE FOREIGN EXCHANGE EARNER

In this context, gold, of course, stands in the forefront. Production has been rising steadily and last year attained the all-time record output figure of 14,602,267 ounces, an increase of 1,300,000 ounces over 1954 and was appreciably higher than the previous record achieved in 1941 when the output of gold totalled 14,406,761 ounces. The vital statistic however, was the value of the 1955 output which was in excess of £178,000,000 and compares with £121,000,000 for the yield attained in 1941. This significant performance was made possible by the expansion in production from the new mines in the Orange Free State and on the Far West Rand which, be it noted, are still a long way from reaching their ultimate crushing capacities.

Closely linked with gold is the Union's uranium industry. During the year ended June 30, 1955, exports from this source amounted to £21,000,000 which compares with earnings of only £7,000,000 in the previous year. While no one expects a continuation of the same rate of increase it is confidently forecast that eventually uranium exports will rise to about £50,000,000 a year.

On the debit side mention must be made of the possibility of the government introducing a new Silicosis Bill which, if enacted, would raise gold mining industry's costs considerably. Such a measure coming on top of the wages and other benefits granted to the industry last November could render the continued operation of several of the older gold producers an extremely hazardous occupation if not sufficiently uneconomic to effect closure. Bearing that in mind and the fact that the country's hopes to abolish import controls rest with its ability to earn foreign exchange, it must remain open to doubt whether such a decision would be taken.

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FINANCIAL RESULTS

(Cumulative and comparative "this" financial year to December 31, 1955 with "last.")

GROUP	COMPANY	ORDINARY SHARES IN ISSUE	Months since year end	PROFIT AND LOSS RESULTS £(000)								Current financial year's capital expenditure (Gold) £(000)	EARNINGS, DIVIDENDS & YIELD					
				Working Profit		Uranium Profit (j)		Taxation and/or Mining Lease		Net Profit After Tax**			Earned in current year to date††	Paid				Yield on Price 23/1/56
				This	Last	This	Last	This	Last	This	Last			1955		1954		
														s. d.	s. d.	s. d.	s. d.	
Gold Fields	D'nfontein.....	9,828,000 (10/-)	6	498.4	503.0	—	—	—	—	502.6	503.0	446.7	1/-	—	—	—	—	—
	Libanon.....	7,937,300 (10/-)	6	351.9	309.8	—	—	—	—	356.3	309.8	100.0	11d.	3½	3	3	3	8.3
	Luipaards Vlei.....	4,969,105 (2/-)	6	136.9	263.8	141.8	—	—	4.5	282.5	259.3	30.9	1/1½	7½	7½	7½	7½	7.0
	Rietfontein C.....	1,122,252 (5/-)	12	236.1	280.1	—	—	122.0	136.9	115.3	143.2	Cr. 2.4	2/-½	1 2	1 1	1 3	1 3	18.0
	Robinson Deep.....	2,000,000 B(7/6)	12	213.5	338.6	—	—	5.2	150.1	211.7	188.6	40.1	2/1	1 6x	1 6x	1 9f	1 3	16.9
	Simmer.....	6,750,000 (2/6)	12	203.2	172.8	—	—	12.4	9.0	194.5	163.9	6.1	7d.	5	4	5½g	3	19.3
	Sub Nigel.....	1,771,875 (10/-)	6	476.2	570.7	—	—	214.5	270.8	266.1	299.9	2.0	3/-	3 3	3 6	3 6	3 9	20.7
	Venterspost.....	4,900,000 (10/-)	6	454.7	377.2	—	—	110.3	84.3	350.2	292.9	70.5	1/5	7½	6	6	5	8.5
	Vlakfontein.....	6,000,000 (10/-)	12	869.0	867.3	—	—	331.1	319.3	540.8	548.1	189.0	1/10	8	8	7½	6½	8.2
	Vogels.....	5,028,571 (10/-)	12	1339.0	1323.5	272.6	—	563.0	251.6	1053.6	1072.0	44.8	4/2	1 8	1 7½	1 6	1 6	11.6
W. Drie.....	7,041,080 (10/-)	6	2605.0	1872.4	—	—	871.0	513.9	1743.8	1358.5	859.4	4/1½	2 6	2 3	1 9	1 3	4.2	
Anglo American	Brakpan.....	4,600,000 (5/-)	12	187.5	170.3	—	—	19.6	16.0	171.7	148.7	4.4	9d.	7½	4½	6	4½	14.8
	Dagga.....	7,000,000 (5/-)	12	3812.0	3796.7	1146.8	858.8	2384.0	2549.3	2135.6	2104.8	67.6	6/1	3 0	2 9	3 0	3 0	11.6
	East Dagga.....	3,730,000 (10/-)	12	537.7	565.1	—	—	239.3	250.5	301.7	311.8	—	1/7	10½	9	9½	9	17.6
	Lorraine l ††.....	16,453,372 (10/-)	3	L84.5	—	—	—	—	—	L84.5	—	264.0	—	—	—	—	—	—
	P. Brand b ††.....	13,000,000 (5/-)	3	1027.8	—	72.6h	—	—	—	1100.4	—	223.1	1/8	—	1 0m	—	—	—
	P. Steyn c ††.....	13,000,000 (5/-)	3	489.9	—	122.1h	—	—	—	612.0	—	92.6	11½d.	—	—	—	—	—
	S.A. Lands.....	2,475,000 (3/6)	12	654.6	663.9	—	—	288.3	280.5	369.9	383.6	14.7	3/-	1 6	1 4½	1 6	1 3	14.5
	Springs.....	10,110,000 (5/-)	12	130.0	93.4	—	—	16.0	6.3	117.3	87.2	—	3d.	—	—	2½	—	13.4
	Welkom ††.....	12,250,000 (5/-)	3	50.1	—	—	—	—	—	50.1	—	202.8	1d.	—	—	—	—	—
	W. Holdings ††.....	7,496,376 (5/-)	3	498.5	—	—	—	—	—	498.5	—	133.8	1/4	—	1 6m	—	—	—
W. Reefs.....	7,000,000 (5/-)	12	663.5	781.9	881.2	701.2	449.0	6.6	1100.3	1484.5	414.4†	3/2	1 3	1 3	1 3	1 3	7.2	
Central Mining	Blyvoor.....	24,000,000 (2/6)	6	2622.8	2766.3	351.5	348.4	1639.7	1631.6	1376.7	1496.7	143.5	1/2	1 0	1 1	1 2	1 2	8.8
	City Deep.....	2,026,832 (£1)	12	17.0	175.4	—	—	2.2	7.4	116.1	217.6	81.1	1/2	—	—	6	6	—
	Cons. M.R.....	1,247,602 (£1)	6	116.6	175.8	—	—	3.6	45.3	134.4	139.1	—	2/2	2 6	2 6	2 0	1 9	25.8
	Crown Mines.....	1,886,125 (10/-)	12	586.7	605.8	—	—	133.4	61.5	809.9	639.1	—	8/7	3 6	3 6	3 6	3 0	16.2
	Durban Deep.....	2,325,000 (10/-)	12	603.5	568.6	—	—	102.5	42.4	490.9	561.2	219.5	4/3	1 3	1 3	1 6	1 6	8.3
	E. Rand Prop.....	3,960,000 (10/-)	12	2002.8	1521.6	—	—	693.2	399.0	1429.9	1184.1	611.4	7/2	2 0	1 9	1 9	1 9	6.8
	Harmony.....	17,963,210 (5/-)	6	802.1	169.4	314.8	—	—	—	1105.1	118.5	667.5	1/2	—	—	—	—	—
	Modder B.....	2,800,000 (1/6)	12	12.4	30.7	—	—	5.6	5.2	54.2	50.9	—	4½d.	—	—	—	—	—
	Modder E.....	930,805 (£1)	6	46.4	89.2	—	—	7.6	27.3	47.9	66.4	—	1/10	1 3	1 6	1 6	1 6	22.0
	New Modder.....	2,800,000 (3/-)	6	9.0	4.7	—	—	0.4	2.3	10.4	7.2	—	1d.	—	—	—	—	—
Rose Deep.....	700,000 (14/-)	12	60.3	136.7	—	—	16.7	21.7	118.3	134.1	5.9	3/4	—	—	—	—	—	
T'vaal G.M.E.†.....	952,500 (£1)	12	5.8	10.8	—	—	—	—	34.7	34.5	1.7	9d.	3	6	6	6	0.0	
Welgedacht.....	1,358,030 (10/-)	6	2.6	9.8	—	—	—	—	3.6	8.1	—	—	—	—	—	—	—	
J.C.I.	E. Ch'p d'Or.....	2,079,000 (2/6)	12	(p)	—	—	—	—	—	74.3	L12.0	—	8½d.	4	3	—	—	13.3
	Freddies Cons.....	16,359,913 (£1)	12	(p)	—	—	—	—	—	L384.7	L740.7	158.7	—	—	—	—	—	—
	Govt. G.M.A.....	5,600,000 (5/-)	12	194.3	332.4	—	—	41.2	40.1	247.4	355.1	54.8	10½d.	3	4½	7½	7½	11.3
	Randfontein.....	4,063,553 (£1)	12	(p)	—	—	—	—	—	1151.1	504.9	207.7	2/8	2 6	2 0	2 0	1 0	8.6
Union Corporation	East Geduld.....	9,000,000 (4/-)	12	4096.2	3771.5	—	—	2770.7	2063.1	1933.2	1710.7	18.0	4/4	2 3	2 0	2 0	1 9	14.1
	Geduld Prop.....	1,460,857 (£1)	12	537.7	370.7	—	—	214.3	119.3	1097.5	922.8	—	15/-	8 0	6 9	6 9	5 6	16.6
	Grootvlei.....	11,438,816 (5/-)	12	2936.6	2620.7	—	—	1574.5	1372.3	1400.1	1270.2	—	2/5	1 4	1 1	1 1	1 0	11.6
	Marievale.....	4,500,000 (10/-)	12	1068.3	932.8	—	—	524.0	443.5	556.4	491.8	36.5	2/6	1 3	1 0	1 1	1 1	10.7
	St. Helena.....	9,625,000 (10/-)	12	1635.5	760.1	—	—	—	—	1589.9	699.4	1414.9	3/4	—	—	—	—	—
	Van Dyk.....	5,532,000 (10/-)	12	26.1	19.8	—	—	—	—	30.7	21.3	—	7	—	—	—	—	—
General Mining	Ellaton.....	787,500 (5/-)	6	200.5	356.3	100.2	38.1	—	—	302.4	394.4	49.4	1/3	—	6	6	—	—
	Stilfontein.....	13,062,920 (5/-)	12	2466.4	2122.8	277.3	270.3	—	—	2800.3	2393.3	1254.3	4/2	—	6	6	—	3.9
	S. Roodepoort.....	1,420,662 (10/-)	6	130.2	117.7	—	—	43.2	53.0	92.1	69.2	16.5	1/3½	10½	10½	9	9	—
	W. Rand.....	4,250,000 (10/-)	12	L654.6	L50.6	2879.3	2020.3	980.0	753.0	1417.0	1341.5	414.3	5/8½	2 0	1 9	2 0	1 9	10.3
Anglo-Trial	Hartebeest ††.....	9,000,000 (10/-)	6	567.2	—	—	—	—	—	525.1	—	784.8	1/2	—	—	—	—	—
	Klerksdorp n.....	300,000 (5/-)	12	L25.6	L15.9	42.0	—	—	—	14.8	L19.7	8.1	1/-	—	—	—	—	—
	Rand Leases.....	3,600,000 (10/-)	6	153.6	250.7	—	—	3.7	31.5	172.9	237.1	132.9	1/-	6	6	6	4½	13.8
	Village M.R.....	6,068,457 (1/3)	6	54.8	61.8	—	—	16.1	19.5	42.2	46.0	—	1d.	1½	1½	1½	1½	—
Virginia e ††.....	13,278,952 (5/-)	12	187.0	—	265.4	—	—	—	—	245.5	—	1067.4	3/8	—	—	—	—	—
Others	N. Kleinfontein.....	1,735,000 (£1)	12	62.2	166.2	—	—	1.0	—	61.2	164.5	3.7	8d.	3	3	9	9	9.5
	Spaarwater.....	7,974,968 (5/-)	12	13.5	4.3	—	—	—	—	14.1	5.3	15.6	½d.	—	—	—	—	—
	W. Nigel.....	7,974,720 (2/6)	6	45.8	55.1	—	—	—	—	15.4	58.5	40.0	2d.	1½	—	1½	—	6.6

**Includes sundry revenue less sundry expenses ††Calculated on net profit after tax †Including uranium cap. exp. *Calculated on stoping width ††After deferred shares' participation xAlso loan capital and/or loans other than uranium Italics: Scheduled uranium producers L indicates loss †Profit figures take into account £21,706 from sale of copper/gold concentrates ††Previous year's figures not comparable aAlso 25,000 deferred shares (£1) which take first 25 per cent of distributable profits bProduction started in August 1954 cProduction started April 1, 1954 dProduction started September 1, 1954 eProduction started September 22, 1954

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DEVELOPMENT AND MILLING RESULTS

(Cumulative and comparative "this" financial year to December 31, 1955 with "last.")

GROUP	COMPANY	Months since year end	TOTAL ORE RESERVES			DEVELOPMENT RESULTS						MILL THROUGHPUT													
						Payability						Tonnage				Gold Recovered						Working Profit			
			Fr. Sampled (000)		%	Av. Value (In.-dwt.)		Milled (000)		Cost per Ton		Ounces (000)		Grade (dwt. per ton)		Cost per ounce		Per ton		Per oz.					
Tons (000)	Value (dwt.)	Inch dwt.	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last	This	Last							
Gold Fields	D'nfontein	6	1 008	6-8	272	6-2	5-5	94	91	423*	340*	306	300/68/3	50/8	123-1	100-9	8-0	6-7	169/9	150/5	32/7	32/6	81/-	99/9	
	Libanon	6	2,395	4-5	227	6-3	9-3	70	71	276*	288*	583	582/42/7	41/11	127-1	122-1	4-4	4-2	195/2	199/10	12/1	10/8	55/5	50/9	
	Luipards Vlei	6	2,248	4-4	178	10-2	9-4	62	60	259*	273*	540	641/42/3	41/9	101-8	127-8	3-8	4-0	224-	209/3	5/1	8/3	26/11	41/3	
	Rietfontein C.	12	339	5-1	272	6-5	8-3	32	53	347*	521*	317	329/41/10	39/6	71-6	74-4	4-5	4-5	185/2	175/8	14/11	17/-	65/11	75/4	
	Robinson Dp.	12	1,076	4-4	229	3-9	5-6	59	43	342*	470*	983	1,185/49/6	46/8	210-8	248-7	4-3	4-2	230/10	222/7	4/4	5/9	20/3	27/3	
	Simmer	12	1,143	4-2	203	20-0	26-4	48	37	250*	271*	1,422	1,495/39/4	38/3	238-8	243-0	3-4	3-3	234-	235/6	2/10	2/4	17/-	14/3	
	Sub Nigel	6	1,219	7-9	299	15-3	17-1	25	30	350*	336*	398	398/55/5	53/11	126-0	131-2	6-3	6-6	175/1	163/6	23/11	28/8	75/7	87/-	
	Venterspost	6	2,832	5-4	291	13-8	10-3	63	55	278*	415*	731	635/46/7	50/-	172-1	156-7	4-7	4-9	197/10	202/6	12/5	11/11	52/10	48/2	
	Vlakfontein	12	1,504	8-3	337	27-4	28-1	42	44	358*	372*	465	462/54/8	52/5	170-6	166-6	7-3	7-2	149/-	145/3	37/5	37/7	101/11	104/1	
	Vogels	12	2,885	5-4	227	27-4	29-2	35	34	232*	276*	1,235	1,229/43/3	42/3	318-5	312-6	5-2	5-1	167/7	165/11	21/8	21/6	84/1	84/8	
W. Drie	6	1,096	16-5	693	9-2	7-0	100	100	921*	827*	426	319/72/-	72/10	329-8	242-1	15-5	15-2	93/-	96/-	122/4	116/9	158/-	154/8		
Anglo American	Brakpan	12	2,777	4-8	479	46-9	42-1	28	26	740	596	1,283	1,321/40/-	39/7	219-2	223-1	3-4	3-4	234/3	234/4	2/11	2/7	17/1	15/3	
	Dagga	12	12,768	5-3	233	41-3	43-9	33	37	387	362	2,658	2,660/29/7	29/2	607-5	615-1	4-6	4-6	129/6	126/-	28/8	36/-	125/6	156/-	
	East Dagga	12	4,206	4-2	155	31-6	30-8	24	20	348	240	1,146	1,121/32/6	32/2	190-9	189-7	3-3	3-4	195/-	190/2	9/5	10/-	56/4	60/-	
	Lorraine††	3	509	4-0	162	9-6	—	32	—	389	—	125	—	54/8	—	20-6	—	3-3	—	332/1	—	13/6	—	182/-	
	P. Brand††	3	1,573	18-1	906	4-8	—	87	—	1,053	—	155	—	67/8	—	124-1	—	16-0	—	84/6	—	132/7	—	165/8	
	P. Steyn††	3	2,524	8-5	408	4-3	—	76	—	468	—	247	—	50/5	—	89-0	—	7-2	—	139/11	—	39/8	—	110/1	
	S.A. Lands	12	3,679	5-6	238	34-2	41-2	41	39	451	553	1,105	1,213/36/3	35/-	211-5	223-5	3-8	3-7	189/3	190-	11/10	11/-	61/11	59/5	
	Springs	12	2,347	4-8	211	18-5	22-8	26	34	361	562	1,454	1,522/30/7	33/7	187-6	212-2	2-6	2-8	237/3	240/10	1/9	1/3	13/10	8/10	
	Welkom††	3	2,355	5-9	296	4-7	—	81	—	450	—	245	—	47/4	—	50-4	—	4-1	—	230/1	—	4/1	—	19/11	
	W. Holdings††	3	2,273	10-8	507	3-4	—	79	—	877	—	221	—	49/11	—	84-0	—	7-6	—	131/2	—	45/3	—	118/8	
W. Reef	12	4,375	5-1	238	30-4	42-5	46	48	480	503	1,412	1,395/38/4	37/7	268-3	272-4	3-8	3-9	210/8	192/4	9/5	11/2	49/6	57/5		
Central Mining	Blyvoor	6	6,852	12-1	559	7-8	7-7	92	86	646	726	628	624/58/8	55/8	356-0	359-4	11-3	11-5	103/7	98/8	83/6	88/8	147/4	154/-	
	City Deep	12	4,404	6-1	260	36-0	33-9	39	38	349	297	1,936	1,955/47/6	45/10	367-5	373-2	3-8	3-8	250/1	240/2	2d.	1/9	11d.	9/5	
	Cons. M.R.	6	3,609	4-0	209	10-6	12-8	29	39	351	239	1,034	1,060/33/4	32/7	146-7	152-1	2-8	2-9	234/11	227/4	2/3	3/4	15/11	23/2	
	Crown Mines	12	10,297	4-9	238	50-9	39-8	35	54	297	314	3,588	3,460/36/11	36/-	575-0	548-4	3-2	3-2	230/7	227/6	3/3	3/9	20/5	22/1	
	Durban Deep	12	8,982	4-1	249	37-4	41-8	42	58	381	410	2,170	2,139/36/11	36/-	367-4	354-1	3-4	3-3	218/2	217/9	5/7	5/4	32/10	32/5	
	E. Rand Prop.	12	6,290	6-1	288	13-3	20-3	53	52	521	467	2,540	2,475/46/-	44/3	625-3	560-4	4-9	4-5	187/-	195/4	15/9	12/4	64/1	54/4	
	Harmony d.	6	1,057	7-8	459	5-7	2-5	67	92	445	520	423	1,745/59/6	66/2	158-1	59-4	7-5	6-8	149/2	193/9	37/11	19/6	101/6	57/-	
	Modder B	12	50	3-0	162	—	—	—	—	—	—	672	677/25/-	25/4	67-8	70-7	2-0	2-1	248/1	242/1	4d.	11d.	3/8	8/8	
	Modder E	6	2,145	3-2	145	4-1	2-6	10	35	160	210	771	727/25/7	26/-	82-2	82-5	2-1	2-3	239/10	229/9	1/2	2/6	11/3	21/9	
	New Modder	6	—	—	—	—	—	—	—	—	—	72	59/32/1	36/-	9-9	8-9	2-8	3-0	233/2	236/10	2/6	1/7	18/2	10/7	
J.C.I.	Rose Deep	12	584	4-3	248	11-9	16-6	25	29	391	357	668	839/37/7	34/10	104-9	128-1	3-1	3-1	239/8	228/4	1/10	3/3	11/10	21/2	
	T'vaal G.M.E.	12	51	8-2	—	7-0	3-8	44	37	236	245	278	293/58/8	57/8	60-8	64-2	4-4	4-4	268/5	263/2	5d.	9d.	1/11	3/4	
	Weigedacht	6	281	2-5	102	3-0	2-3	37	22	137	128	204	199/28/2	28/6	23-1	23-4	2-3	2-4	248/9	242/8	3d.	1/-	2/3	8/5	
	E. Ch'p d'Or.	12	—	—	—	0-7	1-1	56	75	204	213	237	260	—	17-8	24-5	1-5	1-9	—	—	—	—	—	—	
	Freddies Cons.	12	885	5-0	205	12-0	10-9	64	74	349	314	957	1,012	—	155-6	160-8	3-3	3-1	—	—	—	—	—	—	
	Govt. G.M.A.	12	3,797	3-2	173	18-4	17-4	40	34	262	280	3,006	3,112/30/7	30/5	375-2	400-9	2-5	2-6	244/9	235/11	1/4	2/2	14/4	16/7	
	Randfontein	12	1,453	3-7	200	5-1	13-6	51	47	330	254	3,088	3,339	—	332-7	427-2	2-2	2-6	—	—	—	—	—	—	
	East Geduld	12	10,700	5-8	302	7-7	6-5	70	65	403	415	1,765	1,663/31/2	31/4	545-4	511-4	6-2	6-2	100/9	102/-	46/5	45/4	150/3	147/6	
	Geduld Prop.	12	1,500	3-6	194	11-0	10-5	35	14	265	230	1,233	1,122/31/11	34/3	199-2	183-3	3-2	3-3	197/5	209/5	8/9	6/4	54/-	40/5	
	Grootvlei	12	15,500	4-6	216	19-8	19-6	51	41	238	194	2,322	2,185/29/1	29/4	503-4	467-0	4-3	4-3	134/2	137/2	25/4	24/-	116/8	112/3	
Union Corporation	Marievale	12	4,500	5-4	254	28-5	24-0	46	40	242	267	857	800/40/2	40/3	222-2	203-9	5-2	5-1	154/10	158/1	24/11	23/4	96/2	91/6	
	St. Helena	12	3,000	6-0	330	17-8	21-1	56	62	384	402	1,238	1,041/40/11	41/10	330-6	235-4	5-3	4-5	153/4	184/10	26/5	14/8	98/11	64/7	
	Van Dyk	12	1,100	3-7	155	20-5	22-4	26	26	293	230	962	940/40/7	42/5	157-6	161-4	3-3	3-4	247/8	246/11	7d.	5d.	3/4	2/6	
	Ellaton	6	567	7-1	334	6-8	3-5	40	71	280	291	187	170/44/10	44/10	49-4	58-9	5-3	6-9	169/7	129/4	21/5	41/11	81/2	121/-	
	Stilfontein	12	3,506	8-7	312	16-9	20-7	82	78	361	374	1,009	986/49/9	45/11	396-3	351-4	7-9	7-1	126/8	128/8	48/11	43/1	124/6	120/10	
	S. Roodepoort	6	1,100	4-7	226	8-6	6-1	41	34	264	282	166	166/41/-	39/8	37-6	35-8	4-5	4-3	181/-	183/9	15/8	14/2	69/3	65/9	
	W. Rand	12	5,900	3-2	163	21-8	24-7	63	54	282	283	2,804	2,750/33/1	32/6	318-6	355-4	2-3	2-6	291/5	251/2	L4/8	L4d.	L41/1	L2/10	
	Hartebeest ††	6	—	—	—	14-8	—	96	—	434	—	298	—	67/6	—	125-5	—	8-4	—	160/3	—	38/1	—	90/4	
	Klerksdorp n	12	243	2-5	116	5-2	4-6	33	30	144	180	133	132/34/11	33/4	16-4	16-5	2-5	2-5	283/1	267/11	L3/10	L2/5	L31/3	L19/3	
	Rand Leases	6	4,718	4-2	202	21-6	18-5	43	42	264	250	1,078	1,108/37/1	37/3	171-6	185-3	3-2	3-3	232/11	222/6	2/10	4/6	17/11	27/-	
Anglo T'vaal	Village M.R.	6	—	—	—	—	—	—	—	—	—	206	206/31/7	31/7	30-4	31-0	3-0	3-0	214/2	209/11	5/4	6/-	36/1	39/11	
	Virgina E ††	12	1,067	4-7	227	14-8	—	43	—	316	—	734	—	48/3	—	156-									

NEW CONSOLIDATED GOLD FIELDS LIMITED

Registered Office: 49 MOORGATE, LONDON, E.C.2.

Extracts from Mining Companies' Directors' Reports for Quarter ended 31st December, 1955

DOORNFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £4,914,000 IN 9,828,000 SHARES OF 10s. EACH

Tons milled 154,000, yielding 62,378.40 ounces fine gold. Yield per ton 8.101 dwts.

	Per Ton Milled	s.	d.
Working Revenue	£779,334	101	3
Working Expenditure	536,193	69	1
WORKING PROFIT	£243,141	31	7

NOTE.—Working Revenue does not include an amount of £4,188 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£210,990. In addition, expenditure on capital account in connection with the uranium project amounted to £34,150.

GOVERNMENT TAXES.—Nil.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 13,635 ft. The footage sampled amounted to 2,990 ft., of which 2,835 ft., equal to 94.8 per cent, proved payable at an average value of 9.7 dwts. per ton over an estimated stoping width of 40.0 in., equivalent to 388 in.-dwt.

In addition 328 ft. of exploratory development was carried out under prospecting permits outside the northern boundary of the mine.

LIBANON GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,968,650 IN 7,937,300 SHARES OF 10s. EACH

Tons milled 290,000, yielding 63,911.44 ounces fine gold. Yield per ton 4.408 dwts.

	Per Ton Milled	s.	d.
Working Revenue	£797,665	55	0
Working Expenditure	624,690	43	1
WORKING PROFIT	£172,975	11	11

NOTE.—Working Revenue does not include an amount of £4,430 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£56,063.

GOVERNMENT TAXES.—Nil.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 12,597 feet. The distance sampled amounted to 3,025 ft., of which 1,990 ft., equal to 65.8 per cent, proved payable, averaging 5.8 dwts. over a stoping width of 49.0 in., equivalent to 284 in.-dwt.

DIVIDEND.—A dividend of 3½d. per share has been declared payable on or about 8th February, 1956.

RIETFontein CONSOLIDATED MINES LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £280,563 IN 1,122,252 SHARES OF 5s. EACH

Tons milled 79,000, yielding 17,959.43 ounces fine gold. Yield per ton 4.547 dwts.

	Per Ton Milled	s.	d.
Working Revenue	£224,018	56	9
Working Expenditure	165,366	41	11
WORKING PROFIT	£58,652	14	10

NOTE.—Working Revenue does not include an amount of £1,239 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—Cr. £372.

GOVERNMENT TAXES.—£35,482.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 4,637 ft. The distance sampled amounted to 2,075 ft., of which 630 ft., equal to 30.4 per cent, proved payable, averaging 6.6 dwts. over a stoping width of 50.6 in., equivalent to 334 in.-dwt.

ORE RESERVE at 31st December, 1955, is estimated at 339,000 tons, averaging 5.1 dwt. per ton over a stoping width of 53.4 inches, equivalent to 272 in.-dwt.

DIVIDEND.—A dividend of 1s. 2d. per share has been declared payable on or about 8th February, 1956.

THE SUB NIGEL LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £885,937 IN 1,771,875 SHARES OF 10s. EACH.

Tons milled 199,500, yielding 62,644.40 ounces fine gold. Yield per ton 6.280 dwts.

	Per Ton Milled	s.	d.
Working Revenue	£782,601	78	5
Working Expenditure	554,988	55	7
WORKING PROFIT	£227,613	22	10

NOTE.—Working Revenue does not include an amount of £4,383 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£2,759.

GOVERNMENT TAXES.—£100,392.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 8,286 ft. The footage sampled amounted to 7,455 ft., of which 2,005 ft., equal to 26.9 per cent, proved payable at an average value of 9.7 dwts. per ton over an estimated stoping width of 36.3 in., equivalent to 352 in.-dwt.

DIVIDEND.—A dividend of 3s. 3d. per share has been declared payable on or about 8th February, 1956.

THE LUIPAARDS VLEI ESTATE AND GOLD MINING COMPANY LIMITED

(Incorporated in England: Head Office: Johannesburg)

ISSUED CAPITAL £496,911 IN 4,969,105 SHARES OF 2s. EACH

MAIN REEF SECTION

Tons milled 268,000. Total yield in ounces fine 50,228.12.

	Per Ton Milled	s.	d.
Working Revenue	£627,436	46	10
Working Expenditure	567,578	42	4
Working Profit	59,858	4	6

BIRD REEF SECTION

Tons milled 107,000. Total yield in oz. fine, 4,573.99.

Working Revenue £ 57,104

Working Expenditure 346,965

Working Profit from Uranium (subject to adjustment) 289,861

Working Profit 444,861

Working Profit 155,000

TOTAL WORKING PROFIT 214,858

NOTE.—Working Revenue does not include an amount of £3,779 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—Main Reef Section: £27,886.

Bird Reef Section: 25,845, making a total of £53,731.

GOVERNMENT TAXES.—Non-Resident Shareholders Tax on Dividend No. 51, £4,993.

URANIUM.—The profit for the quarter amounting to £155,000 was arrived at before deducting the quarterly loan Repayment instalment of £77,100, made up of capital redemption £52,636 and interest £24,464.

DEVELOPMENT.—Main Reef Group.—The total footage advanced during the quarter amounted to 8,501 ft. The distance sampled amounted to 4,525 ft., of which 2,850 ft., equal to 63.0 per cent proved payable, averaging 6.1 dwts. over a stoping width of 44.2 in., equivalent to 270 in.-dwt.

Bird Reef Group.—The footage accomplished on the Bird Reef Group totalled 13,686 ft. The footage sampled amounted to 3,235 ft. of which 2,425 ft., equivalent to 74.5 per cent, proved payable on a combined Gold/Uranium content.

DIVIDEND.—A dividend of 7½d. per share has been declared payable on or about 8th February, 1956.

FREE STATE SAAIPLAAS GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £6,067,559 IN 12,135,118 SHARES OF 10s. EACH

NOS. 1 AND 2 SHAFTS.—The erection of the Survey Beacons at the shaft sites has been completed.

It has been decided to undertake a programme of diamond drilling at the site of No. 2 Shaft before sinking operations commence, with the object of endeavouring to seal off any fissures in the anticipated water-bearing strata. This involves the drilling of three boreholes around the shaft site. During the quarter under review, two boreholes were drilled to depths of 1,096 ft. and 2,053 ft. and cementation has been carried out.

ROADS.—Work continued on the laying of the main and access roads within the mine area.

RAILWAYS.—A siding at Glen Harmony station for use by Saaipplaas mine is in the course of construction.

WATER RETICULATION.—Work in connection with the water supply from the Water Board mains has been completed.

WEST DRIEFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,520,540 IN 7,041,080 SHARES OF 10s. EACH

Tons milled 213,000, yielding 165,812.29 oz. fine gold.	Yield per ton 15.569 dwts.
	Per Ton Milled
Working Revenue	£2,072,068
Working Expenditure	776,244
WORKING PROFIT	£1,295,824

NOTE.—Working Revenue does not include an amount of £9,792 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£414,917. In addition, expenditure on capital account in connection with the uranium project amounted to £269,178.

TAXATION.—£333,041.

STATE'S SHARE OF PROFITS.—£96,849.

NO. 3 SHAFT.—No. 3 Shaft was sunk a distance of 165 ft. during the quarter to its final depth of 4,405 ft.

NO. 5 SHAFT.—No. 5 Shaft was sunk a distance of 469 ft. during the quarter to a total depth of 842 ft. Water bearing ground requiring consolidation by means of cementation retarded progress during the quarter.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 14,923 ft. The footage sampled amounted to 4,485 ft., all of which proved payable at an average value of 20.5 dwt. per ton over an estimated stopping width of 42.0 in., equivalent to 861 in.-dwt.

DIVIDEND.—A dividend of 2s. 6d. per share has been declared payable on or about 8th February, 1956.

VLAKFONTEIN GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £3,000,000 IN 6,000,000 SHARES OF 10s. EACH

Tons milled 117,000, yielding 42,891.83 oz. fine gold.	Yield per ton 7.332 dwts.
	Per Ton Milled
Working Revenue	£535,343
Working Expenditure	323,052
WORKING PROFIT	£212,291

NOTE.—Working Revenue does not include an amount of £2,916 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£104,224.

GOVERNMENT TAXES.—£67,191.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 8,378 ft. The footage sampled amounted to 6,520 ft., of which 2,120 ft., equal to 32.5 per cent, proved payable at an average value of 9.2 dwts. per ton over an estimated stopping width of 40.2 in., equivalent to 370 in.-dwt.

ORE RESERVE at 31st December, 1955, is estimated at 1,504,000 tons averaging 8.3 dwts. per ton over a stopping width of 40.6 in., equivalent to 337 in.-dwt.

DIVIDEND.—A dividend of 8d. per share has been declared payable on or about 8th February, 1956.

VOGELSTRUISBULT GOLD MINING AREAS LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £2,514,286 IN 5,028,571 SHARES OF 10s. EACH

Tons milled 309,000, yielding 79,597.74 oz. fine gold.	Yield per ton 5.152 dwts.
	Per Ton Milled
Working Revenue	£999,308
Working Expenditure	673,100
WORKING PROFIT	326,208
Profit from Uranium (Subject to Adjustment)	141,500
TOTAL WORKING PROFIT	£467,708

NOTE.—Working Revenue does not include an amount of £4,984 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£29,183. In addition expenditure on capital account in connection with the uranium project amounted to £18,693.

GOVERNMENT TAXES.—£152,649.

URANIUM.—The profit for the quarter amounting to £141,500 was arrived at before deducting the quarterly loan repayment instalment of £38,700, made up of Capital Redemption £26,949 and Interest £11,751.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 11,009 ft. The distance sampled amounted to 6,820 ft., of which 2,485 ft., equal to 36.4 per cent, proved payable, averaging 5.2 dwts. over a stopping width of 43.7 in., equivalent to 227 in.-dwt.

ORE RESERVE at 31st December, 1955, is estimated at 2,885,000 tons averaging 5.4 dwts. per ton over a stopping width of 42.1 in., equivalent to 227 in.-dwt.

DIVIDEND.—A dividend of 1s. 8d. per share has been declared payable on or about 8th February, 1956.

SIMMER AND JACK MINES LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £843,750 IN 6,750,000 SHARES OF 2s. 6d. EACH

Tons milled 347,500, yielding 59,259.97 ounces fine gold.	Yield per ton 3.411 dwts.
	Per Ton Milled
Working Revenue	£740,574
Working Expenditure	693,311
WORKING PROFIT	47,263

NOTE.—Working Revenue does not include an amount of £3,717 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£1,950.

GOVERNMENT TAXES.—£1,376.

STATE'S SHARE OF PROFIT.—£1,259.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 8,288 ft. The distance sampled amounted to 5,325 ft., of which 2,725 ft., equal to 51.2 per cent, proved payable, averaging 5.2 dwts. over a stopping width of 52.3 in., equivalent to 272 in.-dwt.

ORE RESERVE.—At 31st December 1955, is estimated at 1,143,000 tons, averaging 4.2 dwts. per ton over a stopping width of 48.3 in., equivalent to 203 in.-dwt.

DIVIDEND.—A dividend of 5d. per share has been declared payable on or about 8th February, 1956.

ROBINSON DEEP LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £750,000 IN 2,000,000 "B" SHARES OF 7s. 6d. EACH

Tons milled 238,000, yielding 51,418.00 ounces fine gold.	Yield per ton 4.321 dwts.
	Per Ton Milled
Working Revenue	£641,721
Working Expenditure	601,709
WORKING PROFIT	40,012

NOTE.—Working Revenue does not include an amount of £3,380 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£30,998.

GOVERNMENT TAXES for the year ended 31st December, 1955.—£5,189.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 6,261 ft. The distance sampled amounted to 305 ft., of which 265 ft., equal to 86.9 per cent, proved payable, averaging 7.0 dwts. over a stopping width of 53.4 in., equivalent to 374 in.-dwt.

ORE RESERVE at 31st December, 1955, is estimated at 1,076,000 tons, averaging 4.4 dwts. per ton over a stopping width of 52.1 in., equivalent to 229 in.-dwt.

DIVIDEND.—A dividend of 1/3d. per share, plus an additional 3d. per share making a total of 1/6d. per share has been declared payable on or about 8th February, 1956.

WEST WITWATERSRAND AREAS LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £840,840 IN 6,726,720 SHARES OF 2s. 6d. EACH

During the three months ended 31st December, 1955, drilling operations were confined to Borehole No. E-9Q on farm Blaauwbank No. 1, which was advanced 1,681 ft. to a depth of 3,556 ft.

The borehole continued to a depth of 3,376 ft. in dolomitic limestones, cherts and carbonaceous shales of the Dolomite Series, and between 3,376 and 3,406 ft. passed through the Black Reef Series consisting of quartzites and carbonaceous shales. From 3,406 to 3,441 ft. it encountered boulder conglomerates of the Ventersdorp System and below the latter depth traversed Ventersdorp Lavas.

DIVIDEND.—A dividend of 1s. 1 1/4d. per share has been declared payable on or about 8th February, 1956.

VENTERSPOST GOLD MINING COMPANY LIMITED

(Registered in the Union of South Africa)

ISSUED CAPITAL £2,450,000 IN 4,900,000 SHARES OF 10s. EACH

Tons milled 360,000, yielding 85,591.00 oz. fine gold.	Yield per ton 4.755 dwts.
	Per Ton Milled
Working Revenue	£1,068,541
Working Expenditure	849,534
WORKING PROFIT	£219,007

NOTE.—Working Revenue does not include an amount of £5,770 received during the quarter in respect of gold sold to the South African Reserve Bank for the period March/July, 1955.

EXPENDITURE ON CAPITAL ACCOUNT.—£48,374.

GOVERNMENT TAXES.—£39,353.

DEVELOPMENT.—The total footage advanced during the quarter amounted to 13,869 ft. The distance sampled amounted to 7,330 ft. of which 4,600 ft., equal to 62.8 per cent, proved payable, averaging 5.8 dwts., over a stopping width of 52.2 in., equivalent to 303 in.-dwt.

DIVIDEND.—A dividend of 7 1/2d. per share has been declared payable on or about 9th February, 1956.

NOTES.—The development returns of the above Companies show the actual sampling results; adjustments which may be required when estimating ore reserves have not been applied.

Copies of the Reports, giving the percentage payability on each reef, may be obtained on application.

The labour position admittedly has not been maintained at the level reached early in 1955 but any deficiency here is being offset by increasing mechanization and even more important, by bringing business management principles into the mines. In fact, the general opinion is that last year's record output will be surpassed in 1956.

Glancing briefly at the political situation the first reaction is to view it with a mixture of caution and apprehension. This must necessarily be so because the Union Parliament which opened in Cape Town on January 13 last met for the first time after the passage of the Senate Act by which the government was provided with the necessary two-third majority through increasing the number of Senators from 48 to 89. This has given the Nationalists 76 out of the 89 seats in the larger Senate. Armed with this efficient weapon, the Nationalist party is expected to bring in legislation to establish the sovereignty of Parliament so that enactments will be free from juridical scrutiny in the courts. The Opposition's avowed determination to oppose the envisaged far-reaching constitutional changes has led observers of the South African scene to regard the present session as one of the most important in the union's political history. Other controversial legislation expected to be introduced this session includes the Industrial Conciliation Bill, which is strongly resented by the trade unions who see in it an attempt to destroy their movement.

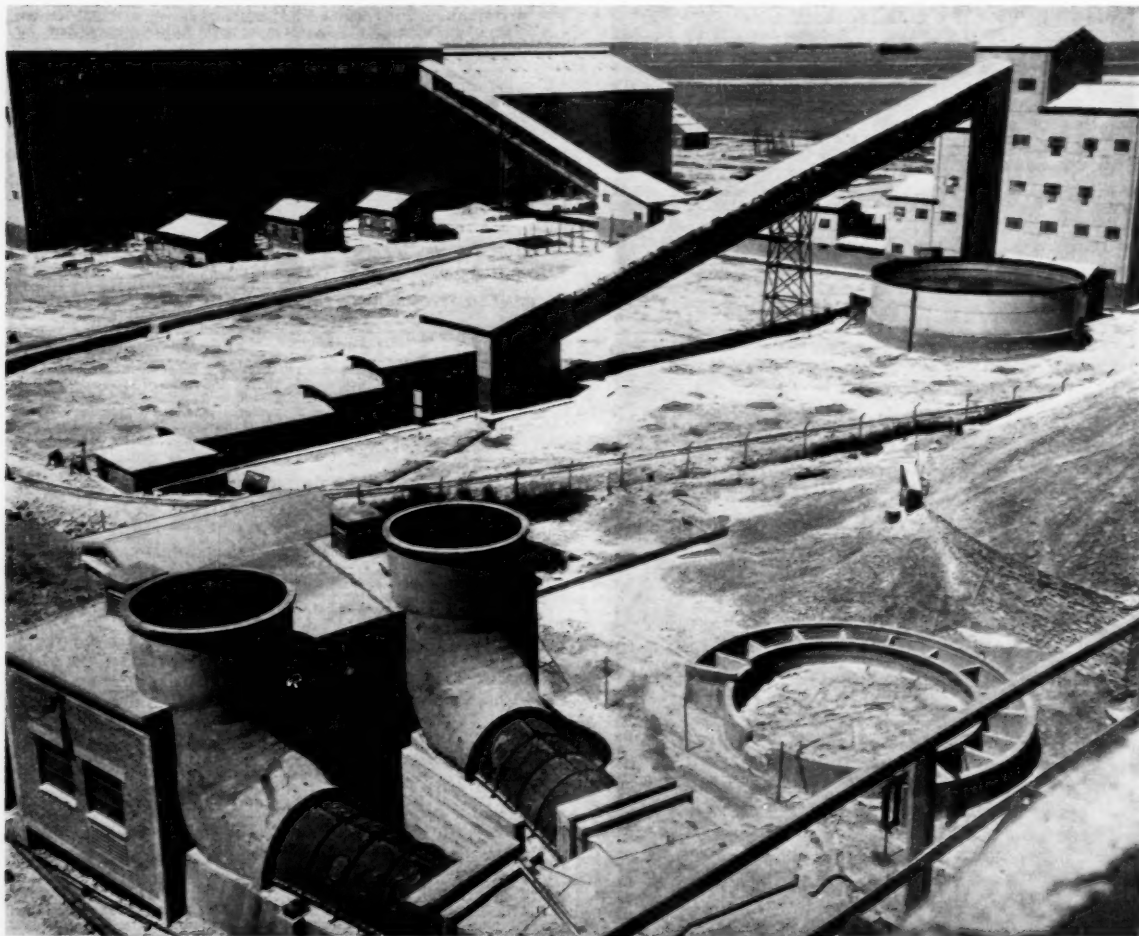
From the foregoing it can be seen that the political picture is not very bright and although any storm that eventuates may well by-pass the mining industry as it has so often done in the past, this is the kind of situation which has militated against potential investment in South Africa for a number of years.

On the other hand, the gold mining industry is the nation's bread and butter and this fact has never been lost on whatever government has been in power. The Nationalist party, however else their policies and actions may be assessed, has never been unfriendly to the industry and there are current hopes that Mr. Louw may propose basic changes in existing tax codes relating to company taxation with particular reference to the question of exempting dividends in the hands of shareholders from super-tax and non-resident shareholders' tax.

WILL INTEREST IN KAFFIRS BE MAINTAINED

While it is too early to pronounce on whether the long bear market in Kaffirs has come to an end the sharp rise experienced last week in the Kaffir market and which is still being more or less maintained as we go to press, might well prove that, on balance, the political risk factor has been overdone. Certainly the revival of interest has been long overdue. Indeed, the lowest point on the former *Financial Times* gold share index, recorded in 1926, was breached on December 9 when it sank to 78.45—an all-time low. The encouraging feature of the current rally is that it has been accompanied by a substantial expansion in the number of bargains transacted daily which would appear to dispense with the first reaction that the sudden interest and sharp price gains were solely due to a surge of relatively small but concentrated buying pressure on a market short of stock. The rise so far has been indiscriminate and most shares have benefited. But any sustained improvement in the market must become more and more selective. Quite naturally interest centres around the newer gold producers in the O.F.S. and on

(Continued on page 8)



The surface plant at Free State Geduld showing, in the foreground, the ventilation system for bringing bad air to the surface

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LIMITED

(Incorporated in the Union of South Africa)

MINING COMPANIES' REPORTS FOR QUARTER ENDED 31st DECEMBER, 1955

GENERAL REMARKS.—The revenue from gold has been calculated on the basis of gold at 250s. per ounce fine for October, and 249s. for November and December, 1955.

In determining the payable development footage, gold has been taken at 248s. 3d. per ounce fine.

The development values are the actual results of the sampling of development work on reef; no allowance has been made for modifications which may be necessary when computing ore reserves.

GOVERNMENT GOLD MINING AREAS (Modderfontein) CONSOLIDATED, LIMITED

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £1,400,000

Crushed 713,000 tons; yielding 91,287 ounces fine gold.	
Revenue from Gold and Sundry Revenue	£1,155,170
Estimated Net Revenue from Pyrite	25,685
	1,180,855
Less: Working Costs	1,126,795
Profit for Quarter	£54,060

In addition to the above, £6,390 accrued during the quarter in respect of additional revenue from gold sold to the S.A. Reserve Bank for the period March/July, 1955.

Working Costs: per ton crushed 31s. 7d. per fine ounce produced 246s. 10d. The estimated revenue from the production of Pyrite is subject to future adjustments and represents the estimated value of the output less plant operating costs and provision for interest on and repayment of the loans raised for the project.

The Government's share of profits for the quarter is estimated at £7,455. The expenditure on Capital Account (other than on the Pyrite Recovery Plant) amounted to £6,756.

PYRITE RECOVERY PLANT.—Expenditure during the quarter amounted to £4,948 making a total to date of £604,535 including capitalised interest on amounts advanced to the Company to assist in financing the cost of the project. The amounts advanced by the United States and British Authorities, plus accrued interest, was £340,773, and the remainder of the expenditure, namely £263,762, has been borne by the Company.

The balance of the Pyrite Loans at 31st December, 1955, was reduced to £305,118.

DIVIDENDS.—Dividend No. 77 of 3d. per share has been declared in Union of South Africa currency, payable to members registered at 31st December, 1955.

DEVELOPMENT.—The total development footage for the quarter amounted to 4,125 feet. The footage sampled totalled 3,640 ft. and gave the following results: Payable, 1,555 ft., having an average value of 5.5 dwts. over 52 in. Unpayable, 2,085 ft., having an average value of 1.5 dwts. over 60 in.

ORE RESERVES.—The ore reserves at the end of the year were estimated to amount to 3,797,000 tons, with an average value of 3.2 dwts. over a stopping width of 54 in.

FREDDIES CONSOLIDATED MINES, LIMITED

(Incorporated in the Union of South Africa)

SHARE CAPITAL

	Amount	Number of Shares
Authorised	£17,500,000	17,500,000
Issued	£16,359,913	16,359,913
In Reserve	£1,140,087	1,140,087
REPORT OF THE DIRECTORS for the Quarter ended 31st December, 1955.		
Crushed 222,000 tons; yielding 37,844 ounces fine gold.		
Revenue from Gold and Sundry Revenue		£480,784
Estimated Net Revenue from Uranium (see note below under "Uranium Operations")		86,000
		566,784
Less: Working Costs		630,435
LOSS FOR QUARTER		£63,651

A sum of £2,723 accrued during the quarter in respect of additional revenue from gold sold to the S.A. Reserve Bank for the period March/July, 1955. This amount is not included in the sum of £480,784 shown above against "Revenue from Gold and Sundry Revenue".

Working Costs: per ton crushed 57s. 4d. The revenue from gold has been calculated on the basis of gold at 250s. per ounce fine for October, and 249s. for November and December, 1955. Interest for the quarter on amounts advanced to the Company by financial institutions totalled £15,524, which sum has not been taken into account in arriving at the loss for the quarter.

Expenditure on Capital Account (other than on the Uranium Project) amounted to £158,677, which sum includes an amount of £135,000 expended on additional development.

URANIUM OPERATIONS.—Expenditure during the quarter in connection with the Uranium Project amounted to £8,648, making a total to date of £224,324 which sum includes capitalised interest on the loans. The Uranium Loans, together with accrued interest, totalled £206,090 at 31st December, 1955.

The first instalment amounting to approximately £6,209 in redemption of the Uranium Loans raised by this Company in respect of the installation required to pump slimes to the Welkom plant will become payable during the first quarter of 1956.

The estimated net revenue from the production of uranium is subject to future adjustments and represents the total revenue accruing to this Company from the sales of uranium oxide produced during the quarter less the pumping and plant treatment costs incurred during the same period.

No provision has been made in the above calculation for loan repayments or amortisation charges as these charges had not become due at the end of the quarter under review.

The Welkom Gold Mining Company, Limited, has advised this Company that loan repayments in respect of the Welkom plant will commence during the first quarter of 1956. Other mines associated with the joint production of uranium at the Welkom plant will begin pumping slimes for treatment at that plant during the first quarter of 1956, and the quarterly loan repayments will be shared proportionately.

The tonnage of slimes pumped by this Company to Welkom during the quarter under review was derived from current operations and accumulated slimes. The

overall tonnage to be despatched for treatment will decline during 1956 as these accumulations of slimes become exhausted and as the treatment capacity available to this Company at the Welkom plant is reduced by the tonnage of slimes treated there for other Companies.

The combined effect of a lesser tonnage treated at the plant, and the loan repayments becoming due, will considerably diminish this Company's future rate of net earnings from uranium.

STOPING.—During the period under review the total fathmage broken showed a small increase as compared with the previous quarter. Of the total fathmage, sixty per cent was broken on the North Mine.

The average values in inch-dwts. of the stoping carried out in each of the shaft areas during the past three quarterly periods have been as follows:—

Quarter ended:	North 1 In.-dwt.	North 2 In.-dwt.	South 1 In.-dwt.	South 2 In.-dwt.	Total In.-dwt.
June 30th, 1955	302	329	208	202	269
September 30th, 1955	319	326	236	244	286
December 31st, 1955	233	261	196	196	240

Stoping values have declined during the past three months. This is of particular significance at the North Mine as it is upon the quantity and value of ore milled from this section that the future of the mine depends.

Of the fathmage broken at the North Mine during the quarter under review 26 per cent of the total was from new stopes made available by development carried out within the past nine months. The remainder was obtained in stopes which have been in production for at least nine months, and it is in the latter category that the marked decline in values has occurred.

It is still not possible, due to a continuing shortage of available stoping faces, to carry out selective mining, and a substantial portion of the stoping operations is still carried out in areas of unpay development.

DEVELOPMENT.—Development footage totalled 19,560 ft., made up as follows:—

Shaft:	Haulages Feet	Drives Feet	Winzes and Raises Feet	Cross-cuts etc. Feet	Total Feet
North 1	2,569	69	1,388	4,020	8,046
North 2	2,825	93	2,329	4,014	9,261
South 1	832	—	648	773	2,253
South 2	—	—	—	—	—
Totals	6,226	162	4,365	8,807	19,560

The development footage sampled was 3,795 ft. and gave an overall average value of 362 in.-dwt. made up as follows:—

PAYABLE				UNPAYABLE			
Shaft:	Feet	Value	In.-dwt.	Feet	Value	Width	In.-dwt.
North 1	720	56.8	6	341	59.50	490	24.5
North 2	1,585	60.7	7	425	80.25	390	19.6
South 1	70	32.9	9	296	11.48	540	23.5
South 2	—	—	—	—	—	—	—
Totals & Aves.	2,375	56.6	7	396	62.58	1,420	23.7

In determining the payable footage, gold has been taken at 248s. 3d. per ounce fine.

The development values mentioned above are the actual results of the sampling of development work on reef; no allowance has been made for modifications which will be necessary when computing ore reserves.

GENERAL.—South Section: During the quarter development was limited to two exploratory ends in the No. 1 South Shaft area; the results obtained are discouraging and it now appears unlikely that any payable areas of significance will be disclosed in the vicinity of the workings in the South 1 Shaft area. A certain quantity of internal development will now be carried out in order to make available some small additional tonnage of payable ore reserves. Operations will thereafter be confined to stoping operations which will continue for as long as they may be profitable, and it must now be accepted that the South Section can be disregarded in assessing the future possibilities of the mine.

North Section: Development at No. 1 North and No. 2 North Shafts in areas beyond those which have so far been exploited is proceeding according to plan. The limited footage on reef which has been carried out therein has disclosed values similar to those previously encountered, with the exception of 17 Haulage East at an average value of 535 in.-dwt. Of this total footage 120 ft. were developed and sampled subsequent to 31st December, 1955. These values refer to a limited footage of development in one particular portion of the mine. Similar values have been encountered previously elsewhere in the mine, and a considerable amount of development will be required before any opinion can be formed as to whether this area is or is not of any particular significance.

The faulting disclosed by development is severe, and is similar in extent to that previously encountered.

In general, development continues in an endeavour to obtain further information while at the same time every effort is being made to increase the rate of stoping which remains inadequate to supply ore to the capacity of the reduction plant.

The charge to capital account in respect of development carried out in excess of that which was estimated to be necessary to replace the current mining of ore reserves amounted to £135,000 for the quarter, being £12,000 less than the amount charged to this account for the previous quarter.

ORE RESERVES.—The ore reserves at 31st December, 1955, were estimated to be as follows:—

	Tons	Value	Width	In.-dwt.
North Section	767,800	5.0	41	205
South Section	117,600	4.5	43	194
Total and Averages for mine	885,400	5.0	41	205

At the South Section operations have been largely confined to the extraction of the available pay ore and, in consequence, the quantity of ore in reserves shows a material reduction.

SHARES IN FREE STATE GEDULD MINES, LIMITED.

Of the 300,000 fully paid shares of Free State Geduld Mines, Limited, acquired by this Company as the result of the sale to that Company of the No. 2 South Shaft and other assets, 195,000 shares had been disposed of by 31st December, 1955, to the Johannesburg Consolidated Investment Company, Limited, and Anglo American Corporation of South Africa, Limited, in terms of the arrangements made with those two Companies. The sum which accrued to this Company as a result of these sales totalled £831,919.

This Company's holding of shares of Free State Geduld Mines, Limited, at 31st December, 1955, was, therefore, reduced to 105,000 fully paid shares.

THE RANDFONTEIN ESTATES GOLD MINING COMPANY, WITWATERSRAND, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL	£4,063,553
Crushed 777,000 tons; yielding 77,524 ounces fine gold.	
Revenue from Gold and Sundry Revenue	£990,594
Estimated Net Revenue from Uranium and Acid	1,110,000
	£2,100,594
Less: Working Costs	1,799,821
Profit for Quarter	£300,773

In addition to the above, £5,544 accrued during the quarter in respect of additional revenue from gold sold to the S.A. Reserve Bank for the period March/July, 1955.

Working Costs: per ton crushed 46s. 4d.

The estimated revenue from the production of Uranium and Acid is subject to future adjustments and represents the estimated value of the output less plant operating costs and provision for interest on and repayment of the loans raised for the project.

(Note: As the Company has an accumulated loss for tax purposes, it was not necessary to make provision for normal tax in respect of the quarter.)

The expenditure on Capital Account (other than on the Uranium Project) amounted to £66,071.

URANIUM PROJECT.—An instalment of £189,222 in redemption of the Uranium Loans and accrued interest at 31st December, 1954, was paid on 31st December, 1955, thus reducing the balance of those loans to £5,711,441.

During the quarter no further amounts were drawn in respect of the "Additional Uranium Loans" which together with accrued interest amounted to £619,258 at 31st December, 1955. At that date the total of the amounts advanced to the Company in respect of the Uranium Loans and the Additional Uranium Loans together with capitalised interest was £6,849,632 which was partly redeemed by the loan repayments made to date.

Expenditure during the quarter in connection with the Uranium Project amounted to £72,843, making a total to date of £7,119,501, which sum includes capitalised interest on the respective Uranium Loans.

DIVIDENDS.—Dividend No. 51 of 2s. 6d. per share has been declared in Union of South Africa currency, payable to members registered at 31st December, 1955.

DEVELOPMENT.—The total footage developed for the quarter, including 20,197 ft. on the Bird Reef Horizon, amounted to 24,043 ft. The footage sampled for gold totalled 1,330 ft., and gave the following results: Payable, 565 ft., having an average value of 9.6 dwts. over 28 in. Unpayable, 765 ft., having an average value of 3.1 dwts. over 28 in. The footage sampled on the Bird Reef Series was 4,925 ft., of which 2,195 ft., equivalent to 44.6 per cent proved payable on account of the combined gold and uranium content.

ORE RESERVES.—The ore reserves at the end of the year on reefs valued for their gold content only were estimated to amount to 1,453,000 tons, with an average value of 3.7 dwts. over a stoping width of 54 in.

The ore reserves on the Bird Reef Horizon in respect of ore estimated to be payable on account of its combined gold and uranium content have been maintained.

THE EAST CHAMP D'OR GOLD MINING COMPANY, LIMITED

(Incorporated in the Union of South Africa)

ISSUED CAPITAL	£259,875
Crushed 58,000 tons; yielding 3,844 ounces fine gold.	
Revenue from Gold and Sundry Revenue	£48,664
Estimated Net Revenue from Uranium	131,000
	179,664
Less: Working Costs	160,772
Profit for Quarter	£18,892

In addition to the above, £299 accrued during the quarter in respect of additional revenue from gold sold to the S.A. Reserve Bank for the period March/July, 1955.

Working Costs: per ton crushed 55s. 5d.

The estimated revenue from the production of Uranium is subject to future adjustments and represents the estimated value of the output less plant operating costs and provision for interest on and repayment of the loans raised for the project.

(Note: As the Company has an accumulated loss for tax purposes, it was not necessary to make provision for normal tax in respect of the quarter.)

URANIUM PROJECT.—An instalment of £4,766, in redemption of the Uranium Loans, was paid on 31st December, 1955, thus reducing the unredeemed balance to £143,862.

DIVIDENDS.—Dividend No. 35 of 4d. per share has been declared in Union of South Africa currency, payable to members registered at 31st December, 1955.

DEVELOPMENT.—The total footage developed for the quarter, including 8,312 ft. on the Bird Reef Horizon, amounted to 8,471 ft. The footage sampled for gold totalled 125 ft., all of which proved to be unpayable, having an average value of 2.6 dwts. over 38 in. The footage sampled on the Bird Reef Series totalled 4,425 ft., of which 2,700 ft., equivalent to 61.02 per cent, proved payable on account of the combined gold and uranium content.

ORE RESERVES.—The remaining blocks of ore on the Main Reef Series are insufficient to constitute an ore reserve which could be worked economically under present conditions; work will be continued on the limited number of stope faces at present available for as long as such operations are profitable.

The ore reserves on the Bird Reef Horizon in respect of ore estimated to be payable on account of its combined gold and uranium content have been maintained.

10 and 11 Austin Friars, London, E.C.2.
January 17th, 1956.

JOHANNESBURG CONSOLIDATED INVESTMENT COMPANY, LTD.
D. L. REYNOLDS, Secretary.

the Far West Rand, an overwhelming proportion of which have yet to attain their ultimate profit-earning capacities. In spite of this fact share prices of the younger mines have not been spared in the general downward trend. This may well have been due to the persistent and large scale selling of Kaffirs on the London market which Mr. A. Menell, President of the Johannesburg stock exchange, spoke of as "disinvestment" due, he thought, to the fact that the glowing reports originally published about the prospects of some of the O.F.S. mines had not been borne out by subsequent reports. It is difficult not to agree with Mr. Menell. At the same time it is worth pointing out that the fall has been overdone, many of the shares now being patently under-valued.

Broadly speaking, the December quarterly reports achieved a great deal in restoring confidence in many of the mines about which some commentators in the past—quite unjustifiably—gave rave notices based more on imagination than fact.

BLYVOORS ATTRACTIVE AT PRESENT PRICE

A share which appears to be undervalued is that of Blyvoortzicht in the Central Mines-Rand Mines group. During the quarter ended December 31, 1955, values obtained amounted to 632 in. dwt. from 4,395 ft. sampled having a payability of 96 per cent. This compares with 665 in. dwt. from 3,420 ft. sampled during the September quarter of which 87 per cent was payable. When compared with overall development during the year ended June 30, 1955, which yielded a value of 712 in. dwt., these results would appear somewhat unsatisfactory. But it should be remembered that the past financial year's good figures were largely due to sampling a greater proportion of reef in the rich eastern part of the mine. As an active prospecting programme is now taking place in the west—where gold content is not so high—the reason for lower values can easily be understood.

To form a balanced opinion of Blyvoort it is necessary to bear in mind the period when under difficult post-war conditions it was decided to suspend sinking operations at No. 2 shaft and to go ahead with reef development in the rich area of No. 1 shaft. Since that time a great deal of work has been done in the lower grade western sections. It is not surprising, there-

(Continued on page 15)



The Margaret shaft at Stilfontein

ANGLO-TRANSVAAL CONSOLIDATED INVESTMENT CO. LIMITED

Mining Companies' Directors' Reports for Quarter Ended 31st December, 1955

Following are the reports on work done during the quarter ended 31st December, 1955

ANGLO-TRANSVAAL COLLIERIES, LIMITED

The Sales Output of the Subsidiary Collieries controlled by this Company for the quarter ended 31st December, 1955, totalled 287,981 tons.

CONSOLIDATED MURCHISON (TRANSVAAL) GOLDFIELDS & DEVELOPMENT COMPANY, LIMITED

Tons crushed	36,122
Estimated Profit from Antimony and Gold	£244,550

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July 1955—£86.

Taxation for the year ended 31st December, 1955, in respect of total profits for this period amounting to £1,043,558, is estimated at £296,000.

The Capital Expenditure during the period amounted to £40,096.

During the quarter the development footage accomplished amounted to 5,908 ft., all of which were developed in connection with the antimony gold ore bodies.

1,669 ft. were sampled and 177 ft., equal to 11 per cent, proved to be payable on account of the combined gold and antimony content. The major portion of the development footage sampled was carried out in areas considered and now proved to be beyond the limits of the known payable ore bodies.

EASTERN TRANSVAAL CONSOLIDATED MINES, LIMITED

PRODUCTION.—Tons milled 57,740, yielding 17,081 ounces fine of gold.

Revenue from Gold	£212,991
Working Costs	£173,947
Working Profit	£39,044
Sundry Revenue	£4,498
Total Profit for Quarter	£43,542

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July 1955—£1,198.

TAXATION.—£6,100 in respect of profits amounting to £89,771 for the half-year ended 31st December 1955.

CAPITAL EXPENDITURE.—The net amount charged to Capital Expenditure during the quarter was £23,429.

DEVELOPMENT.—Footage advanced amounted to 10,988 ft.

SHAFT SINKING.—Agnes Gold Mine.—The Cesca Sub Vertical Shaft was sunk 59 ft. to a total depth of 70 ft. The sinking hoist was installed.

HARTEBEESTFONTEIN GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled: 157,000, yielding 71,380 ounces fine of gold.

		Per Ton Milled		
		113s.	8d.	
Revenue from Gold	£892,346	69s.	2d.	(152s. 1d. per ounce fine)
Working Costs	£542,925			
Working Profit	£349,421	44s.	6d.	
Sundry Revenue	£ 12,417	1s.	7d.	
Total Profit for Quarter	£361,838	46s.	1d.	

Working costs per ton, 69s. 2d., include 8s. 1d. in respect of development expenditure.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for July 1955—£296.

LOAN INTEREST.—Interest amounting to £32,565 on loans raised by the Company has not been taken into consideration in calculating the total profit shown above.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—Nil.

CAPITAL EXPENDITURE.—Total for quarter £595,357, including £106,624 on development in excess of the footage required to maintain milling operations at the present scale and £169,148 on the uranium plant.

DEVELOPMENT.—Footage advanced 17,603 ft.

Sampling results of development on Vaal Reef No. 1 Shaft:—

Footage Sampled	7,915
Channel width—inches	14.7
Inch-dwts.	450
PAYABLE FOOTAGE SAMPLED:	
Payable footage	7,620
Percentage payable	96.3%
Channel width—inches	14.9
Inch-dwts.	464

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

REDUCTION PLANT.—Satisfactory progress was made on extensions to the reduction plant.

URANIUM PLANT.—Construction work is proceeding.

HOUSING.—European: Additional housing and single quarters accommodation is being erected.

Native.—Additional accommodation is being provided in the permanent compound.

PLANT.—The installation of the 35,000 cubic feet per minute turbo-compressor is nearing completion.

MERRIESPRUIT (ORANGE FREE STATE) GOLD MINING COMPANY, LIMITED

DEVELOPMENT.—A connection between No. 1 and No. 2 Shafts was made on the 35th level during October, 1955, thereby removing the single-entry restrictions imposed by the Mining Regulations.

Footage advanced 7,869 feet.

Sampling results of development on Leader and Basal Reefs:—

	Leader Reef	Basal Reef	Totals and Averages
Footage sampled	270	2,745	3,015
Channel width—inches	60.5	23.9	27.2
Inch-dwts.	233	302	296
PAYABLE FOOTAGE SAMPLED:			
Payable footage	225	1,590	1,815
Percentage payable	83.3%	57.9%	60.2%
Channel width—inches	62.7	30.9	34.8
Inch-dwts.	263	478	451

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

REDUCTION PLANT.—Erection of the reduction plant having an initial capacity of 75,000 tons per month, was sufficiently advanced to permit of trial milling operations being commenced in December, 1955.

FLOTATION PLANT.—Work on the erection of the flotation plant is nearing completion.

MINE BUILDINGS AND PLANT.—No. 1 Shaft.—The installation of the 19,000 cubic ft. per minute compressor was completed and work was commenced on the installation of a 25,000 cubic ft. per minute compressor.

The permanent winder house is being extended.

Work on the installation of equipment on the transfer level and on the provision of spillage arrangements is nearing completion. The installation of the permanent pumping arrangements is in progress.

The permanent stores building was completed.

No. 2 Shaft.—Work on the permanent loading arrangements is nearing completion.

HOUSING.—European: 19 houses were completed during the quarter, bringing the total built to 299 houses and work is proceeding on a further 40 houses.

Native: Additional rooms are being built in the permanent compound.

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 439. Natives: 2,971.

CAPITAL EXPENDITURE.—Total for quarter £1,404,251. Total to 31st December, 1955, including preliminary expenses, £9,174,853; included in this amount is a total of £248,268 on uranium plant.

MIDDLE WITWATERSRAND (WESTERN AREAS) LIMITED

MINERAL RIGHTS.—The Company retains its interests in Mineral Rights in the Virginia and Odendaalsrus Districts of the Orange Free State and in the Klerksdorp District of the Transvaal.

Mineral option contracts were acquired over a further 38,000 morgen, approximately, in the Boshof and Hoopstad Districts of the Orange Free State.

In addition, the Company acquired mineral option contracts over farms

totalling approximately 68,000 morgen in the general vicinity of the towns of Delmas and Leslie and in the Standerton District in the Transvaal Province.

FREEHOLD RIGHTS.—The Company disposed of the surface of the farm Nieuwmoed No. 534, district Ventersburg, measuring 913 morgen 136 square rods, to South African Base Minerals Limited, a subsidiary of your Company.

PROSPECTING.—No drilling or prospecting operations were carried out during the quarter.

NEW KLERKSDORP GOLD ESTATES, LIMITED

PRODUCTION.—Tons milled 32,000 yielding 3,932 ounces fine of gold.

		Per Ton Milled
Revenue from gold	£49,124	30s. 8d.
Working costs	£58,888	36s. 9d. (299s. 6d. per ounce fine).
Working loss	£ 9,764	6s. 1d.
Sundry revenue	£ 694	5d.
Net loss from gold production .. .	£ 9,070	5s. 8d.
Estimated profit from uranium production	£25,500	
Total profit for quarter	£16,430	

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March-July, 1955—£273.

INTEREST AND LOAN REPAYMENT.—The following amounts have not been taken into consideration in calculating the profit and loss shown above:—

Loans obtained for gold production—Interest	£1,511
Loans obtained for uranium production—Interest	£ 570
Loan repayments	£1,305
TOTAL	£3,386

TAXATION.—Nil.

CAPITAL EXPENDITURE.—Total for quarter £2,940, including £1,886 on uranium plant.

DEVELOPMENT.—Footage advanced 1,310 ft.

Sampling results of development on Commonage Reef:—	
Footage sampled	1,035
Channel width—inches	29
Inch-Dwts.	64
PAYABLE FOOTAGE SAMPLED:	
Payable footage	290
Percentage payable	28.0%
Channel width—inches	30
Inch-Dwts.	159

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve).

ORE RESERVE AS AT 31st DECEMBER, 1955.—

	Tons	Value (Dwts.)	Stoping Width (Inches)
Available: Within Mining Area	109,000	2.45	43.2
Within Prospecting Areas	77,000	2.77	40.6
Total Available	186,000	2.58	42.1
Shaft and Safety Pillars	57,000	2.46	60.5
Totals and Averages	243,000	2.55	45.3

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 71. Natives: 583.

RAND LEASES (VOGELSTRUISFONTEIN) GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled 510,000 yielding 81,923 ounces fine of gold.

		Per Ton Milled
Revenue from Gold	£1,023,940	40s. 2d.
Working Costs	£ 971,060	38s. 1d. (237s. 1d. per ounce fine)
Working Profit	£ 52,880	2s. 1d.
Sundry Revenue	£ 8,500	4d.
Total Profit for Quarter	£ 61,380	2s. 5d.

Working Costs per ton, 38s. 1d. include 4s. 9d. in respect of development expenditure.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July 1955—£5,963.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—£3,750 in respect of profits amounting to £169,550 for the half year ended 31st December, 1955.

CAPITAL EXPENDITURE.—£79,795.

SHAFT SINKING.—No. 1 Tertiary Shaft was sunk 292 ft. to a depth of 1,513 ft. below the 36th level. In addition, 32 ft. were raised at incomplete dimensions between the sheave-wheel position and the 35th level.

29,482 cubic ft. were excavated in the cutting of the 36th Level Reef and Waste Passes, the 42nd Level Station and the excavation for spillage arrangements. The shaft has been concrete lined to a depth of 1,500 ft. below the 36th level,

of which 318 ft. were accomplished during the quarter. Equipping of the shaft has been completed to a depth of 1,486 ft. below the 36th level.

DEVELOPMENT.—Footage advanced 19,229 ft.

Reef	SAMPLED			PAYABLE		
	Footage	Channel Width (in.)	In.-dwt.	Footage	% Channel Width (in.)	In.-dwt.
Main Reef	1,065	41.5	156	375	35	45.5
Main Reef Leader	3,315	18.0	194	1,275	38	11.7
South Reef	175	7.7	212	150	86	7.7
Total Main Reef Series	4,555	23.0	186	1,800	40	18.4
Bird Reef	2,615	46.4	108	965	37	35.8
Kimberley Reef	3,500	69.6	139	1,570	45	66.2
Total and Averages	10,670	44.0	151	4,335	41	39.6

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 1,310. Natives: 7,708.

DIVIDEND.—A Dividend (No. 39) of 5 per cent (6d. per Share) was declared payable to Shareholders registered at 31st December, 1955.

VILLAGE MAIN REEF GOLD MINING COMPANY (1934) LIMITED

PRODUCTION.—Tons milled 102,000, yielding 15,064 ounces fine of gold.

		Per Ton Milled
Revenue from Gold	£188,262	36s. 11d.
Working Costs	£161,341	31s. 8d. (214s. 2d. per ounce fine)
Working Profit	£ 26,921	5s. 3d.
Sundry Revenue	£ 1,200	3d.
Total Profit for Quarter	£ 28,121	5s. 6d.

Working costs per ton 31s. 8d., include 6s. 0d. in respect of development expenditure.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955, £1,112.

TAXATION.—£16,100 in respect of profits amounting to £57,269 for the half-year ended 31st December, 1955.

DEVELOPMENT.—Footage advanced, 6,126 ft. Reconditioning footage, 7,902 ft. Underground diamond drilling done as an aid to development and in exploratory work, 1,030 ft.

LABOUR.—The labour strength at the end of the quarter was:—Europeans: 190. Natives: 1,895.

DIVIDEND.—A dividend (No. 31) of 10 per cent (1½d. per share) was declared payable to shareholders registered at 31st December, 1955.

VIRGINIA ORANGE FREE STATE GOLD MINING COMPANY, LIMITED

PRODUCTION.—Tons milled : 221,000, yielding 47,611 ounces fine of gold.

		Per Ton Milled
Revenue from Gold	£594,744	53s. 10d.
Working Costs	£536,717	48s. 7d. (225s. 5d. per ounce fine)
Working Profit	£ 58,027	5s. 3d.
Sundry Revenue	£ 8,300	9d.
Total Profit from Gold Production	£ 66,327	6s. 0d.
Estimated Profit from Uranium Production	£160,000	
Estimated Profit from Acid Production	£ 81,524	
Total Profit for Quarter	£307,851	

Working costs per ton, 48s. 7d., include 9s. 4d. in respect of development expenditure.

ADDITIONAL REVENUE.—Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955—£2,287.

INTEREST AND LOAN REPAYMENTS.—The following amounts have not been taken into consideration in calculating the profits shown above :—

Debiture and Loan Stocks, Housing Loans—Interest	£61,950
Loans obtained for Acid Production—Interest	£18,800
—Loan repayment	£39,100
	*£57,900
Loans obtained for Uranium Production—Interest	£ Nil
—Loan repayment	£ Nil
	£ Nil

TOTAL £119,850

*Including an adjustment of £5,190 in respect of previous quarters.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—Nil.

CAPITAL EXPENDITURE.—Total for quarter £680,991, including £68,939 on development in excess of the footage required to maintain milling operations at the present scale and £359,859 on uranium and acid plants.

DEVELOPMENT.—Footage advanced : 11,398 ft.

Sampling results of development on Basal and Leader Basal Reefs :—

Footage sampled	3,960
Channel width—inches	21.2
Inch-Dwt.	167

PAYABLE FOOTAGE SAMPLED

Payable footage	1,695
Percentage payable	42.8%
Channel width—inches	23.6
Inch-Dwts.	290

(The above results are based on actual sampling. No allowance has been made for adjustments necessary in the valuation of the corresponding Ore Reserve.)

ORE RESERVE AS AT 31st DECEMBER 1955.—

	Tons	Value (Dwt.)	Stoping Width (Inches)
Available	894,000	4.71	47
Unavailable—No. 3 Shaft and No. 1 Shaft			
Pillar	173,000	4.76	54
Total and Averages	1,067,000	4.72	48

REDUCTION PLANT.—Work was commenced on increasing the capacity of the reduction plant to 100,000 tons per month.

URANIUM PLANT.—The extensions to the uranium plant are nearing completion.

HOUSING.—Additional housing for European employees is being provided.

LABOUR.—The labour strength at the end of the quarter was :—Europeans: 757, Natives: 4,960.

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ANGLO AMERICAN CORPORATION OF SOUTH AFRICA, LIMITED

(Incorporated in the Union of South Africa)

GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 31st DECEMBER, 1955
(All Companies mentioned are incorporated in the Union of South Africa)

WESTERN HOLDINGS LIMITED

ISSUED CAPITAL (In shares of 5/- each) £1,874,094

OPERATING RESULTS

Tons milled 220,500	Ounces fine 83,992	Yield per ton 7.62 dwts.
		Per Ton Milled
		s. d.
Working Revenue	£1,049,366	95 2
Working Costs	550,807	49 11
WORKING PROFIT	£498,559	45 3

No taxation and no share of profit is payable to the Government.
CAPITAL EXPENDITURE.—£133,796.—Of the underground development costs incurred during the quarter an amount of £72,000 was charged to capital account. This amount is included in the total of £133,796.
UNDERGROUND DEVELOPMENT.—During the quarter a total of 16,776 ft. of underground development was accomplished, and the following were the results obtained:—

Sampled: 3,420 ft., averaging 150.63 dwts. over 4.73 in., equivalent to 712 in.-dwts.
Payable: 2,715 ft., equal to 79.39 per cent of the footage sampled, averaging 184.14 dwts. over 4.76 in., equivalent to 877 in.-dwts.
SHAFT SINKING.—No. 3 Twin Circular Shafts: Work was started at the site of the twin circular shafts and by the end of the quarter the collar of the 18 ft. diameter ventilation shaft had been excavated and the pouring of the concrete mat had begun. A start had been made on the construction of the road to the shaft site and on the installation of the compressed air column from No. 2 Shaft.

PRESIDENT BRAND GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL (In units of stock of 5/- each) £3,250,000

OPERATING RESULTS

Tons milled 155,000	Ounces fine 124,090	Yield per ton 16.01 dwts.
		Per Ton Milled
		s. d.
GOLD—		
Working Revenue	£1,551,940	200 3
Working Costs	524,129	67 8
	£1,027,811	132 7
URANIUM—		
Working Profit (estimated)	72,584	
TOTAL WORKING PROFIT	£1,100,395	

No taxation and no share of profit is payable to the Government.
CAPITAL EXPENDITURE.—£223,100.—Of the underground development costs incurred during the quarter, an amount of £90,000 was charged to capital account. This amount is included in the total of £223,100.

LOAN REPAYMENT.—An amount of £650,000 was paid to Welkom Gold Mining Company, Limited on the 31st December, 1955, in reduction of the loan of £1,250,000 from that Company.

UNDERGROUND DEVELOPMENT.—During the quarter a total of 19,734 ft. of underground development was accomplished, and the following were the results obtained:—

Sampled: 4,970 ft., averaging 168.24 dwts. over 5.53 in., equivalent to 930 in.-dwts.
Payable: 4,350 ft., equal to 87.53 per cent of the footage sampled, averaging 201.74 dwts. over 5.22 in., equivalent to 1,053 in.-dwts.

SHAFT SINKING.—No. 2 Sub-Vertical Twin Circular Shafts: 18 ft. Diameter Shaft: Satisfactory progress was made with the excavations for the shaft collar. The chamber to accommodate the sinking and stage hoists and the excavation for the sheave wheel platform were completed.

24 ft. Diameter Shaft: Good progress was made with the excavations for the shaft collar and the permanent rock and stage hoist chambers were completed. The excavation for the permanent main hoist was well advanced and a start was made on the excavation for the sheave wheel chamber.

Welkom Gold Mining Company, Limited.—No. 3 Twin Circular Shafts (for the joint account of the Company, Welkom Gold Mining Company, Limited and President Steyn Gold Mining Company, Limited).

18 ft. Diameter Ventilation Shaft: Sinking operations commenced on the 6th October, 1955 and by the end of the quarter the shaft had reached a depth 996 ft. below the collar. In addition, 137 ft. of development was accomplished in temporary pump chambers.

24 ft. Diameter Shaft: A start was made on the excavations for the shaft collar and good progress was made with the building of the permanent winder house and the pouring of the foundations for the service and stage hoists.

URANIUM.—The certified date of full production of the uranium plants on the properties of President Steyn Gold Mining Company, Limited and Welkom Gold Mining Company, Limited has been fixed at 1st January, 1956, and the ten-year period of the sales contracts will, therefore, terminate on 31st December, 1965.

In terms of the uranium loan arrangements, the first quarterly instalments in repayment of the loans raised to finance the cost of these plants will be made on 31st March, 1956. These, and all future quarterly instalments, will be financed by the Companies making use of the plants, pro rata to tonnages treated.

At present, this Company's slimes are being treated in the plant on the property of President Steyn Gold Mining Company, Limited.

PRESIDENT STEYN GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each)....£3,250,000

OPERATING RESULTS

Tons Milled 247,000	Ounces fine 88,960	Yield per ton 7.20 dwts.
		Per Ton Milled
		s. d.
GOLD—		
Working Revenue	£1,112,629	90 1
Working Costs	622,723	50 5
	£489,906	39 8
URANIUM—		
Working Profit (estimated)	122,072	
TOTAL WORKING PROFIT	£611,978	

No taxation and no share of profit is payable to the Government.
CAPITAL EXPENDITURE.—£101,334.—Capital expenditure on the construction of the uranium plant was £8,683. Of the underground development costs incurred during the quarter, an amount of £17,000 was charged to capital account. Both of these amounts are included in the total of £101,334.

LOAN REPAYMENT.—An amount of £325,000 was paid to Welkom Gold Mining Company, Limited on the 31st December, 1955, in reduction of the loan of £1,250,000 from that Company.

UNDERGROUND DEVELOPMENT.—During the quarter a total of 20,365 ft. of underground development was accomplished and the following were the results obtained:—

Basal Reef: Sampled: 3,235 ft., averaging 43.75 dwts. over 10.47 in., equivalent to 458 in.-dwts.

Payable: 3,045 ft., equal to 94.13 per cent of the footage sampled, averaging 45.37 dwts. over 10.57 in., equivalent to 480 in.-dwts.

Leader Reef: Sampled: 1,025 ft., averaging 2.84 dwts. over 50.29 in., equivalent to 143 in.-dwts.

Payable: 205 ft., equal to 20.00 per cent of the footage sampled, averaging 5.55 dwts. over 53.07 in., equivalent to 295 in.-dwts.

SHAFT SINKING.—Welkom Gold Mining Company, Limited—No. 3 Twin Circular Shafts (for the joint account of the Company, Welkom Gold Mining Company, Limited and President Brand Gold Mining Company, Limited):—

18 ft. Diameter Ventilation Shaft: Sinking operations commenced on the 6th October, 1955 and by the end of the quarter the shaft had reached a depth 996 ft. below the collar. In addition, 137 feet of development was accomplished in temporary pump chambers.

24 ft. Diameter Shaft: A start was made on the excavations for the shaft collar and good progress was made with the building of the permanent winder house and the pouring of the foundations for the service and stage hoists.

URANIUM.—The certified date of full production of the uranium plants on this Company's property and on the property of Welkom Gold Mining Company, Limited, has been fixed at 1st January, 1956, and the ten-year period of the sales contracts will, therefore, terminate on 31st December, 1965.

In terms of the uranium loan arrangements, the first quarterly instalments in repayment of the loans raised to finance the cost of these plants will be made on 31st March, 1956. These, and all future quarterly instalments, will be financed by those Companies making use of the plants, pro rata to tonnages treated.

Commencing the first quarter of 1956 a portion of the slimes output of this Company will be treated at the Welkom plant.

BRAKPAN MINES LIMITED

ISSUED CAPITAL (In shares of 5/- each) £1,150,000

OPERATING RESULTS

Tons milled 323,000	Oz. fine 55,338.36	Yield per ton 3.427 dwts.
		Per Ton Milled
		s. d.
Working Revenue	£691,636	42 10
Working Costs	643,616	39 10
WORKING PROFIT	£48,020	3 0

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955, amounted to £3,762.

The estimated working profit for the year ended 31st December, 1955, is £187,543.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the year ended 31st December, 1955, is £19,600.

CAPITAL EXPENDITURE.—£2,224.

DIVIDEND.—Dividend No. 86 of 7½d. per share was declared on the 7th December, 1955, payable to all shareholders registered in the books of the Company on the 31st of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 7th February, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 13,592 ft., and gave the following results:—

Sampled: 10,990 ft., averaging 5.01 dwts. over 66.36 in., equivalent to 332 in.-dwts.

Payable: 3,025 ft., equal to 27.5 per cent of the footage sampled, averaging 13.09 dwts. over 72.78 in., equivalent to 953 in.-dwts.

ORE RESERVE.—The payable Ore Reserve as at the end of 1955 was estimated at 2,776,700 tons of an average assay value of 4.79 dwts. over a stoping width of 46.21 in.

Compared with the Ore Reserve as at the end of 1954, the present figures show a decrease of 480,400 tons, and an increase in value of 0.02 dwt., while the stoping width is increased by 0.48 in.

WELKOM GOLD MINING COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5/- each)....£3,062,500

(Note: As consideration for the subscription of shares and the provision of loan facilities, Anglo American Corporation of South Africa, Limited, has been granted the right to subscribe for 1,250,000 shares at 27/6d. per share at any time up to 30th December, 1958.)

OPERATING RESULTS

Tons milled 245,000	Ounces fine 50,441	Yield per ton 4.12 dwts.
		Per Ton Milled
Working Revenue	£629,999	s. d.
Working Costs	579,854	47 4
WORKING PROFIT	£50,145	4 1

No taxation and no share of profit is payable to the Government.
CAPITAL EXPENDITURE.—£215,368. Capital expenditure on the construction of the uranium plant amounted to £12,521. Of the underground development costs incurred during the quarter, an amount of £21,000 was charged to capital account. Both of these amounts are included in the total of £215,368.
LOAN REPAYMENTS BY ASSOCIATED COMPANIES.—A total amount of £975,000 has been received from President Brand Gold Mining Company, Limited, and President Steyn Gold Mining Company, Limited, towards the repayment of the loans of £1,250,000 made to each of those companies by Welkom Gold Mining Company, Limited. The amount of £975,000 was received on the 31st December, 1955, and has been used by the Company in purchasing an equivalent amount of the five per cent Debentures issued by the Company. In terms of the conditions of issue, the Debentures purchased by the Company have been cancelled.

UNDERGROUND DEVELOPMENT.—During the quarter a total of 18,190 ft. of underground development was accomplished, and the following were the results obtained:—

Sampled: 4,735 ft., averaging 56.01 dwts. over 6.86 in., equivalent to 384 in.-dwts.

Payable: 3,840 ft., equal to 81.10 per cent of the footage sampled, averaging 62.05 dwts. over 7.26 in., equivalent to 450 in.-dwts.

SHAFT-SINKING.—No. 1 Shaft: During the quarter operations were continued to sinking the vertical winze, raising the shaft rise and cutting stations.

No. 3 Twin Circular Shafts (for the joint account of the Company, President Steyn Gold Mining Company, Limited, and President Brand Gold Mining Company, Limited):

18 ft. Diameter Ventilation Shaft: Sinking operations commenced on the 6th October, 1955, and by the end of the quarter the shaft had reached a depth 996 ft. below the collar. In addition, 137 ft. of development was accomplished in temporary pump chambers.

24 ft. Diameter Shaft: A start was made on the excavations for the shaft collar and good progress was made with the building of the permanent winder house and the pouring of the foundations for the service and stage hoists.

URANIUM.—The certified date of full production of the uranium plants on this Company's property and on the property of President Steyn Gold Mining Company, Limited, has been fixed at 1st January, 1956, and the ten-year period of the sales contracts will, therefore, terminate on 31st December, 1965.

In terms of the uranium loan arrangements, the first quarterly instalments in repayment of the loans raised to finance the cost of these plants will be made on 31st March, 1956. These, and all future quarterly instalments, will be financed by those companies making use of the plants, pro rata to tonnages treated.

Commencing with the first quarter of 1956, a portion of the slimes output of President Steyn Gold Mining Company, Limited, will be treated at the Company's plant in addition to slimes from Fredries Consolidated Mines, Limited.

THE SOUTH AFRICAN LAND AND EXPLORATION COMPANY, LIMITED

ISSUED CAPITAL (In shares of 3/6 each) £433,125

OPERATING RESULTS

Tons milled 258,500	Ounces fine 50,851.73	Yield per ton 3.934 dwts.
		Per Ton Milled
Working Revenue	£635,132	s. d.
Working Costs	488,267	49 1
WORKING PROFIT	£146,865	37 9

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955, amounted to £3,641.

The estimated working profit for the year ended 31st December, 1955, is £464,653.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under the heading in respect of profits earned during the year ended 31st December, 1955, is £288,300.

CAPITAL EXPENDITURE.—£5,065.

DIVIDEND.—Dividend No. 35 of 1/6d. per share was declared on the 7th December, 1955, payable to all shareholders registered in the books of the Company on the 31st of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 7th February, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 12,873 ft., and gave the following results:—

Sampled: 8,265 ft., averaging 9.55 dwts. over 20.96 inches, equivalent to 200 in.-dwts.

Payable: 3,445 ft., equal to 41.7 per cent of the footage sampled, averaging 16.72 dwts. over 23.95 in., equivalent to 400 in.-dwts.

ORE RESERVE.—The payable Ore Reserve as at the end of 1955 was estimated at 3,679,000 tons of an average assay value of 5.57 dwts. over a stopping width of 42.82 in.

Compared with the Ore Reserve as at the end of 1954, the present figures show an increase of 350,900 tons, and an increase in value of 0.34 dwt., while the stopping width is increased by 0.81 in.

VAAL REEFS EXPLORATION AND MINING COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5s. each)....£2,500,000

DEVELOPMENT.—The development footage for the quarter totalled 14,698 ft. The following results were obtained:—

Sampled: 4,205 ft., averaging 56.78 dwts. over 7.82 in., equivalent to 444 in.-dwts.

Payable: 3,550 ft., equal to 84.4 per cent of the footage sampled, averaging 66.80 dwts. over 7.62 in., equivalent to 509 in.-dwts.

No. 1 SHAFT SYSTEM—SHAFT SINKING:

No. 1 Vertical Shaft: During the quarter the shaft was sunk 1,640 ft. bringing it to a depth of 3,642 ft. below the surface.

No. 1 Sub-Vertical Shaft: At the same time the Sub-Vertical shaft was sunk 856 ft. to a depth of 2,306 ft. below the collar and stations were cut on the 56, 59 and 62 levels.

Of the programmed shaft footage of 14,800 ft. for the No. 1 Vertical and Sub-Vertical Shaft Systems, 13,366 ft. were completed by the end of the quarter under review.

No. 1 A Air Inlet: This was completed at a depth of 100 ft. and was connected to No. 1 Vertical Shaft by a ventilation tunnel 150 ft. in length and 18 ft. by 12 ft. in cross-section.

No. 1 Ventilation Shaft: The foundations and fan drift for the main surface ventilating fan at No. 1 Shaft were completed.

59 LEVEL HAULAGE AND ORE AND WASTE PASSES.—59 Level Haulage has been holed from the No. 3 Joint Shaft to the No. 1 Shaft system. The above hoing enabled work to be started on Ore and Waste Passes from 59 level horizon.

A vertical pass was sunk to 80 feet below 59 level and 160 ft. of ore-passing was done above 59 level. The pass from 71 level has reached a position 120 ft. above 68 level.

BOREHOLE M.8.—This borehole, situated 9,000 ft. North East of No. 1 shaft, was sunk to obtain structural information including the depth of the Vaal Reef at this point. The Vaal Reef was intersected at a depth 6,803 ft. 4.5 in. below the surface and the width of reef was 8.5 in., assaying 31.0 dwts., equivalent to 263.5 in.-dwts.

WATER SUPPLY.—The Mine has now been connected up with the Regional Water Supply Scheme.

MINE BUILDINGS.—The Main General Offices should be completed and occupied during the first quarter of 1956.

Construction has started on the Gold and Uranium Assay Laboratories.

COMPOUNDS.—Good progress has also been made on compound buildings and accommodation for 2,225 Natives has now been provided.

REDUCTION PLANT AND URANIUM PLANT.—The Gold Plant is on the point of completion, and milling on a test basis should start during the first quarter of 1956.

The Uranium Plant is nearing completion.

EUROPEAN HOUSES.—A further 14 houses have been completed, thus providing a total of 233 in Orkney and at the Company's No. 1 Shaft.

CAPITAL EXPENDITURE.—£2,110,231 (including expenditure on the Uranium Plant amounting to £920,457).

DAGGAFONTEIN MINES, LIMITED

ISSUED CAPITAL (in shares of 5/- each).....£1,750,000

OPERATING RESULTS

Tons milled 625,000	Oz. fine 143,140.70	Yield per ton 4.581 dwts.
		Per Ton Milled
GOLD.		s. d.
Working Revenue	£1,791,559	57 4
Working Costs	945,675	30 3
Working Profit	£845,884	27 1
URANIUM		
Working Profit (Estimated)	425,000	
TOTAL WORKING PROFIT	£1,270,884	

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955, amounted to £10,771.

The estimated total working profit for the year ended 31st December, 1955, is £5,366,050.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the year ended 31st December, 1955, is £2,834,000.

CAPITAL EXPENDITURE.—£58,273 (including expenditure on Uranium Plant amounting to £17,124).

URANIUM LOANS.—Quarterly instalment, redemption and interest £140,776.

DIVIDEND.—Dividend No. 46 of 3/- per share was declared on the 7th December, 1955, payable to all shareholders registered in the books of the Company on the 31st of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 7th February, 1956.

DEVELOPMENT.—Main Reef Leader: The development footage for the quarter totalled 5,093 ft., and gave the following results:—

Sampled: 4,405 ft., averaging 10.18 dwts. over 14.37 in., equivalent to 146 in.-dwts.

Payable: 1,545 ft., equal to 35.1 per cent of the footage sampled, averaging 18.58 dwts. over 18.40 in., equivalent to 342 in.-dwts.

Kimberley Reef: In addition, a total of 5,448 ft. was accomplished on the horizon of the Kimberley Reef.

Sampled: 4,545 ft., averaging 7.14 dwts. over 18.50 in., equivalent to 132 in.-dwts.

Payable: 1,280 ft., equal to 28.2 per cent of the footage sampled, averaging 30.73 dwts. over 11.46 in., equivalent to 352 in.-dwts.

ORE RESERVE.—The payable Ore Reserve as at the end of 1955 was estimated at 12,768,000 tons of an average assay value of 5.32 dwts. over a stopping width of 43.58 in.

On the Kimberley Reef horizon, the reserve amounts to 5,095,600 tons, having a value of 6.35 dwts. over a stopping width of 47.04 in. This tonnage is included in the total of 12,768,000 referred to above.

Compared with the Ore Reserve as at the end of 1954, the present figures show a decrease of 700,600 tons, and a decrease in value of 0.15 dwt., while the stopping width is decreased by 0.37 in.

WESTERN REEFS EXPLORATION AND DEVELOPMENT COMPANY, LIMITED

ISSUED CAPITAL (In shares of 5/- each) ... £1,750,000

OPERATING RESULTS

Tons milled 347,500	Ounces fine 68,154.17	Yield per ton 3.923 dwts.	Per Ton Milled
			s. d.
GOLD—			
Working Revenue	£852,943	49	1
Working Costs	689,420	39	8
Working Profit	£163,523	9	5
URANIUM—			
Working Profit (Estimated)	410,000		
TOTAL WORKING PROFIT	£573,523		

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955, amounted to £4,644.

The estimated working profit for the year ended 31st December, 1955, is £2,265,400.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the year ended 31st December, 1955, is £449,000.

CAPITAL EXPENDITURE.—£61,455.

URANIUM LOANS.—Quarterly instalment, redemption and interest £169,182.

DIVIDEND.—Dividend No. 29 of 1s. 3d. per share was declared on the 7th December, 1955, payable to all shareholders registered in the books of the Company on the 31st of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 7th February, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 16,230 ft., and gave the following results:

Sampled: 6,730 ft., averaging 14.19 dwts. over 14.63 in., equivalent to 208 in.-dwts.

Payable: 3,045 ft., equal to 45.2 per cent of the footage sampled, averaging 30.15 dwts. over 12.83 in., equivalent to 387 in.-dwts.

Vaal Reef.—The above figures include the following footages and values in development on the Vaal Reef horizon:

Footage driven: 10,436 ft.

Sampled: 3,130 ft., averaging 31.83 dwts. over 7.76 in., equivalent to 247 in.-dwts.

Payable: 1,785 ft., equal to 57.0 per cent of the footage sampled, averaging 53.17 dwts. over 7.22 in., equivalent to 384 in.-dwts.

Farm Goedgenoe No. 62.—In addition, a total of 3,223 ft. of development was accomplished in the part of this farm which is outside the Mining Lease Area. Results were:

Sampled: 1,045 ft., averaging 6.52 dwts. over 33.35 in., equivalent to 217 in.-dwts.

Payable: 570 ft., equal to 54.5 per cent of the footage sampled, averaging 8.88 dwts. over 37.07 in., equivalent to 329 in.-dwts.

Farm Nootgedacht No. 53.—In addition, a total of 1,628 ft. of development was accomplished in the part of this farm which is outside the Mining Lease Area. Results were:

Sampled: 365 ft., averaging 20.41 dwts. over 15.55 inches, equivalent to 317 in.-dwts.

Payable: 195 ft. equal to 53.4 per cent of the footage sampled, averaging 19.31 dwts. over 27.28 in., equivalent to 527 in.-dwts.

ORE RESERVE.—The payable Ore Reserve as at the end of 1955 was estimated at 4,206,300 tons of an average assay value of 5.06 dwts. over a stopping width of 46.98 in.

On the Vaal Reef horizon, the reserve amounts to 1,010,100 tons, having a value of 8.67 dwts. over a stopping width of 39.07 in. This tonnage is included in the total of 4,375,900 referred to above.

Compared with the Ore Reserve as at the end of 1954, the present figures show a decrease of 103,100 tons and an increase in value of 0.38 dwts., while the stopping width is increased by 0.10 in.

LORAIN GOLD MINES, LIMITED

ISSUED CAPITAL (In shares of 10/- each) ... £8,226,686

OPERATING RESULTS

Tons milled 125,000	Ounces fine 20,597	Yield per ton 3.30 dwts.	Per Ton Milled
			s. d.
Working Revenue	£257,474	41	2
Working Costs	342,027	54	8
WORKING LOSS	£84,553	13	6

No taxation and no share of profit is payable to the Government.

CAPITAL EXPENDITURE.—£263,966.—Of the underground development costs incurred during the quarter, an amount of £176,000 was charged to capital account. This amount is included in the total of £263,966.

UNDERGROUND DEVELOPMENT.—During the quarter a total of 24,104 ft. of underground development was accomplished and the following were the results obtained:—

Basal Reef:

Sampled: 8,030 ft., averaging 23.66 dwts. over 5.24 in., equivalent to 124 in.-dwts.

Payable: 2,225 ft., equal to 27.7 per cent of the footage sampled, averaging 38.08 dwts. over 6.25 in., equivalent to 238 in.-dwts.

"B" Reef:

Sampled: 1,625 ft., averaging 8.71 dwts. over 50.04 in., equivalent to 436 in.-dwts.

Payable: 845 ft., equal to 52.0 per cent of the footage sampled, averaging 17.85 dwts. over 44.04 in., equivalent to 786 in.-dwts.

EAST DAGGAFONTAIN MINES, LIMITED

ISSUED CAPITAL (In shares of 10/- each) ... £1,865,000

OPERATING RESULTS

Tons milled 282,000	Oz. fine 46,950.37	Yield per ton 3.330 dwts.	Per Ton Milled
			s. d.
Working Revenue	£586,485	41	7
Working Costs	469,387	33	3
WORKING PROFIT	£117,098	8	4

In addition revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955, amounted to £3,320.

The estimated working profit for the year ended 31st December, 1955, is £537,662.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the year ended 31st December, 1955, is £239,300.

CAPITAL EXPENDITURE.—Nil.

DIVIDEND.—Dividend No. 32 of 10d. per share was declared on the 7th December, 1955, payable to all shareholders registered in the books of the Company on the 31st of that month. Warrants in payment of this dividend will be posted to shareholders on or about the 7th February, 1956.

DEVELOPMENT.—Main Reef Leader: The development footage for the quarter totalled 2,612 ft., and gave the following results:

Sampled: 2,135 ft., averaging 10.22 dwts. over 6.08 in., equivalent to 62 in.-dwts.

Payable: 285 ft., equal to 13.3 per cent of the footage sampled, averaging 31.84 dwts. over 6.63 in., equivalent to 211 in.-dwts.

Kimberley Reef: In addition, a total of 5,744 ft. was accomplished on the horizon of the Kimberley Reef.

Sampled: 4,565 ft. averaging 37.50 dwts. over 4.12 in., equivalent to 155 in.-dwts.

Payable: 1,320 ft., equal to 28.9 per cent of the footage sampled, averaging 75.01 dwts. over 6.02 in., equivalent to 452 in.-dwts.

ORE RESERVE.—The payable Ore Reserve as at the end of 1955 was estimated at 4,206,300 tons of an average assay value of 4.21 dwts. over a stopping width of 36.75 in.

On the Kimberley Reef horizon, the reserve amounts to 1,335,800 tons, having a value of 5.09 dwts. over a stopping width of 36.89 in. This tonnage is included in the total of 4,206,300 referred to above.

Compared with the Ore Reserve as at the end of 1954, the present figures show an increase of 114,600 tons, and a decrease in value of 0.03 dwts., while the stopping width is decreased by 0.02 in.

SPRINGS MINES, LIMITED

ISSUED CAPITAL (In shares of 5/- each) ... £2,527,500

OPERATING RESULTS

Tons milled 374,000	Ounces fine 46,565.98	Yield per ton 2.490 dwts.	Per Ton Milled
			s. d.
Working Revenue	£581,378	31	1
Working Costs	537,484	28	9
WORKING PROFIT	£43,894	2	4

In addition, revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955, amounted to £9,336.

The estimated working profit for the year ended 31st December, 1955, is £130,000.

TAXATION AND GOVERNMENT'S SHARE OF PROFITS.—It is estimated that the Company's liability under this heading in respect of profits earned during the year ended 31st December, 1955, is £10,000.

CAPITAL EXPENDITURE.—Nil.

DIVIDEND.—Dividend No. 66 of 5½d. per share was declared on the 7th December, 1955, payable to all shareholders registered in the books of the Company on the 31st of that month. As stated in conjunction with the dividend declaration the distributable profits of the Company for the year 1955 were enhanced as a result of the sale of surplus plant and buildings, which had the effect of freeing profits previously appropriated for capital expenditure. Warrants in payment of this dividend will be posted to shareholders on or about the 7th February, 1956.

DEVELOPMENT.—The development footage for the quarter totalled 5,052 ft., and gave the following results:—

Sampled: 3,855 ft., averaging 5.38 dwts. over 21.90 in., equivalent to 118 in.-dwts.

Payable: 780 ft., equal to 20.2 per cent of the footage sampled, averaging 13.69 dwts. over 25.33 inches, equivalent to 347 in.-dwts.

ORE RESERVE.—The payable Ore Reserve as at the end of 1955 was estimated at 2,346,700 tons of an average assay value of 4.78 dwts. over a stopping width of 44.20 ins.

Compared with the Ore Reserve as at the end of 1954, the present figures show a decrease of 198,000 tons, and an increase in value of 0.08 dwts., while the stopping width is decreased by 0.14 in.

FREE STATE GEDULD MINES, LIMITED

ISSUED CAPITAL (In shares of 5/- each) £2,199,688 10s. 0d.

PRODUCTION.—The first declaration of the Company's operating results will be made in respect of the month of January, 1956.

UNDERGROUND DEVELOPMENT.—During the quarter a total of 21,886 ft. of underground development was accomplished, and the following were the results obtained:—

Sampled : 2,120 ft., averaging 140.70 dwts. over 5.16 in., equivalent to 726 in.-dwts.

Payable : 1,900 ft., equal to 89.6 per cent of the footage sampled, averaging 154.05 dwts. over 5.18 in., equivalent to 798 in.-dwts.

The results obtained in the vicinity of individual shafts were as follows:—

No. 1 Shaft Area:

Sampled : 1,480 ft., averaging 97.71 dwts. over 4.81 in., equivalent to 470 in.-dwts.

Payable : 1,260 ft., equal to 85.1 per cent of the footage sampled,

averaging 111.95 dwts. over 4.77 in., equivalent to 534 in.-dwts.

No. 2 Shaft Area:

Sampled : 640 ft., all of which proved payable, averaging 220.77 dwts. over 5.97 in., equivalent to 1,318 in.-dwts.

During the quarter exceptional progress has been achieved in the main connecting haulage between the two shafts, and a hoing was effected on 6th January, 1956.

DRIVE FROM WESTERN HOLDINGS, LIMITED.—A total of 190 ft. was sampled, all of which proved payable, averaging 468.12 dwts. over 3.89 in., equivalent to 1,821 inch-dwts. As all this reef development was accomplished on the Company's property, the results are included in the development figures for No. 2 Shaft Area.

REDUCTION PLANT.—During the quarter the plant continued to operate for metallurgical test purposes.

CAPITAL EXPENDITURE.—Capital expenditure for the quarter was £783,657.

London Office: 11 Old Jewry, E.C.2.
17th January, 1956.

For and on behalf of **ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED.**
W. E. GROVES, London Manager and Secretary.

WITWATERSRAND NIGEL LIMITED

(Incorporated in the Union of South Africa)

REPORT OF THE DIRECTORS

for the Quarter ended December 31, 1955

PRODUCTION

Tons Milled	55,200	
Yield (in oz. fine)	11,954	
Yield per Ton Milled (dwts.) ...	4.331	Per Ton Milled
		s. d.
Working Revenue	£149,291	54 1
Working Costs	126,649	*45 11
Working Profit	22,642	8 2
Add: Sundry Revenue	1,860	
NET PROFIT	£24,502	
(*211s. 11d. per oz. fine)		

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period, March-July, 1955—£819.

CAPITAL EXPENDITURE

The Capital Expenditure for the quarter amounted to £24,630, of which £23,115 was spent at No. 3 Shaft.

DEVELOPMENT

Development Footage	4,126 feet
Footage on Reef	2,590 feet
Footage Sampled	2,545 feet

The payable reef disclosures were as follows:—

1,185 feet, or 47%, averaging 18.3 dwts. per ton over a width of 15.7 inches, equivalent to 288 inch-dwts.

(No allowance has been made in the above results for adjustments necessary before calculation of the corresponding Ore Reserve.)

No. 3 SHAFT

Sinking operations continued throughout the quarter in broken and water-bearing ground and the shaft was sunk 283 feet to a depth of 567 feet.

DIVIDEND

A Dividend (No. 3) of 5 per cent. (1½d. per share) was declared on November 28, 1955, payable on or about February 9, 1956, to Shareholders registered in the books of the Company at the close of business on December 31, 1955.

By Order of the Board,
J. F. INCE, London Secretary.
London Office: Finsbury Pavement House,
120 Moorgate, London, E.C.2.

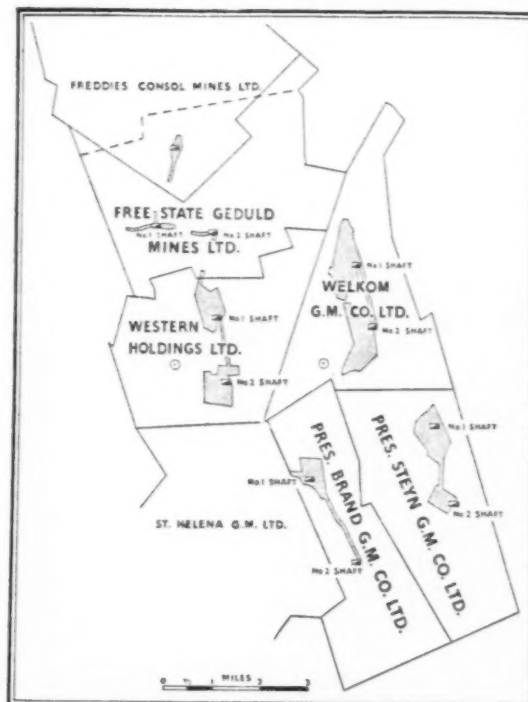
January 24, 1956.

fore, that mill grade should have fallen sharply from well over 16 dwts. per ton to its present level of about 11½ dwts. Of course, throughput over the years has risen from 414,000 tons to 1,257,000. But despite this increased productivity, together with the addition of uranium earnings—at £1,104,826 during the past financial year—overall profits have declined.

Yet it is with the future course of development that investors should be most concerned. At present the opening up of Blyvoor has been confined to a strip parallel to the northern boundary containing not more than a third of the mine's total area which amounts to 3,383 claims. Nevertheless, a good deal of ore has been blocked out and reserves at June 30, 1955, amounted to 5,191,000 tons having a value of 12.1 dwts. over 46.4 in. As work goes ahead from a system of sub-incline shafts which straddle the section under development, still more

(Continued on page 17)

O.F.S. Mines in the Anglo American Group



EXPLANATION

- Underground Development. Shaded areas indicate extent and direction of underground development up to September 30, 1955.
- Projected Shafts: Approximate positions of new shafts in the Welkom and Western Holdings mines.
- Proposed New Boundary between Free State Geduld Mines Ltd. and Freddeus Consolidated Mines Ltd.

GENERAL MINING & FINANCE CORPORATION, LIMITED

(Incorporated in the Union of South Africa)

GOLD MINING COMPANIES' DIRECTORS' REPORTS FOR THE QUARTER ENDED 31st DECEMBER, 1955
All companies mentioned are incorporated in the Union of South Africa

BUFFELSFONTEIN GOLD MINING CO. LTD.

(Incorporated in the Union of South Africa)

SHAFT SINKING.—Good progress was made in both shafts during the quarter. The Pioneer Ventilation Shaft reached final depth in October, 1955, while the Pioneer Main Shaft reached 5,070 ft., stations having been cut at 11, 12 and 13 levels respectively. The Pioneer Main Shaft is nearing final depth which, it is anticipated, will be reached during the first quarter of 1956. During the second quarter, equipment of the Shaft will be completed and it will then be available for full-scale winding duty.

No reef intersection has been made in the Main Shaft, due to the presence of a fault. As an intersection has already been made in the adjacent Pioneer Ventilation Shaft, and 50 ft. of exploratory development carried out, no useful purpose would have been served by delaying sinking progress to effect a further exposure of the reef by cross-cutting.

DEVELOPMENT.—To enable the most rapid build-up of the main development programme, advantage has been taken of the completion of sinking at the Ventilation Shaft to cross-cut on all levels to the adjacent Main Shaft in order to cut and complete the ore and waste pass system by the time the latter shaft has been sunk and equipped and this work will be mainly in country rock.

The development amounted to 1,737 ft. during the quarter.

REDUCTION PLANT.—Good progress was made during the quarter and it is anticipated that the plant will be ready for the commencement of trial milling operations during the second half of 1956.

ELECTRIC POWER SUPPLY.—The supply from the Electricity Supply Commission has been adequate throughout the quarter.

COMPRESSED AIR SUPPLY.—Adequate supply has been maintained by means of the joint arrangement between Stilfontein and Buffelsfontein. Foundations for two permanent compressor units 35,000 c.f.m. capacity, at Buffelsfontein have been completed and the mechanical portion of the first compressor has arrived on the property from overseas.

WATER SUPPLY.—During the quarter the mine was connected to its permanent water supply drawn from the Western Transvaal Regional Water Company.

EUROPEAN HOUSING.—In the Stilfontein Township a total of 198 houses have been completed, and a further 71 are under construction.

NATIVE HOUSING.—In the Permanent Compound, rooms now nearing completion will raise accommodation capacity to 2,628 labourers.

LABOUR.—The number of employees in service as at 31st December, 1955, was as follows:

	Company	Contractors
European	312	250
Natives	1,716	921

CAPITAL EXPENDITURE.—Capital Expenditure for the quarter amounted to £1,009,366.

By Order of the Board,

GENERAL MINING AND FINANCE CORPORATION LIMITED,

London Secretaries,
per R. R. BISHOP

London Office:
Winchester House, Old Broad Street, E.C.2.
20th January, 1956.

ELLATON GOLD MINING CO. LTD.

(Incorporated in the Union of South Africa)

Tons milled 93,000 Gold produced (oz. fine) 23,903
Recovery per ton milled (dwt.) 2.5140

	Per Ton milled	Per Oz. fine
GOLD:		
Working Revenue	£298,523	249.9.4
Working Cost	£208,618	44/10.4
WORKING PROFIT	£ 89,905	19/4.0

URANIUM:
WORKING PROFIT (subject to adjustment and after deduction of amounts paid in respect of the use of the Stilfontein Plant) £ 78,086
TOTAL WORKING PROFIT £167,991

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955 — £1,661.

Capital Expenditure (gold)	£31,648
Capital Expenditure (uranium)	£8,225
Uranium Loan Repayment, Instalment, Capital and Interest	£14,286
Amortisation Contributions received from other participants in the Uranium Joint Pumping Scheme	£11,610

As a result of recent leaching tests, the basis of allocation of uranium output between the various contributors to the Joint Uranium Scheme has been altered. This coupled with an improvement in the overall extraction in the Stilfontein Plant accounts for the increase in Uranium profit.

Interest on the additional uranium loan has been included in the above figures. An amount of £2,000 in respect of development footage in excess of that required to maintain milling operations at the present rate has been charged to Capital Account and has been included in the total of £31,648.

DEVELOPMENT.—The total footage advanced during the quarter was 5,204 ft. Of this total, 3,449 ft. were on reef and 3,440 ft. were sampled, giving the following results:

	Footage Payable	Per cent payable	Av. value dwt./ton	Reef Channel Width, in.	In.-dwt.
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Vaal Reef	1,265	37.8	11.2	26.0	292
Gold Estates	35	58.3	3.6	41.4	150

By Order of the Board,

GENERAL MINING AND FINANCE CORPORATION LIMITED,

London Secretaries,
per R. R. BISHOP

London Office:
Winchester House, Old Broad Street, London, E.C.2.
20th January 1956.

STH. ROODEPOORT MAIN REEF AREAS LTD.

(Incorporated in the Union of South Africa)

Ore Milled, tons 82,500 Gold Produced, oz. fine 18,945
Recovery per ton, dwt. 4.593

	£	Per Ton Milled shgs.
WORKING REVENUE AND EXPENDITURE:		
Working Revenue	236,177	57.26
Working Costs	171,126	41.49
WORKING PROFIT	65,051	15.77
Sundry Revenue	2,161	
TOTAL PROFIT	£67,212	

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955 — £1,180.

Provision for Taxation	£21,600
Capital Expenditure	£8,844

	Total footage	Footage sampled	Percentage payable	Value dwt./ton	Width in.	In.-dwt.
DEVELOPMENT:	8,136	3,585	1,570	43.8	8.1	28

The above values represent actual results of sampling, no allowance having been made for any reductions which, subsequently, may be considered necessary when compiling the Ore Reserve.

DIVIDEND.—Interim Dividend No. 28 of 8½ per cent (equal to 10½d. per share) was declared payable to all shareholders registered on 31st December, 1955.

By Order of the Board,

GENERAL MINING AND FINANCE CORPORATION LIMITED,

London Secretaries,
per R. R. BISHOP

London Office:
Winchester House, Old Broad Street, E.C.2.
20th January, 1956.

STILFONTein GOLD MINING CO.

(Incorporated in the Union of South Africa)

Tons milled 252,000 Gold produced (oz. fine) 99,056
Recovery per ton (dwt.) 7.862

	£	Per Ton milled	Per Oz. fine
WORKING REVENUE AND EXPENDITURE:			
Working Revenue	1,239,494	98/4	250/3
Working Cost	638,690	50/8	128/11
WORKING PROFIT	600,804	47/8	121/4

URANIUM AND ACID:
WORKING PROFIT (subject to adjustment) 141,594
TOTAL WORKING PROFIT £742,398

Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955 — £6,113.

No allowance has been made for amortisation of the Contact Acid Plant.

Capital Expenditure (gold)	£386,542
Capital Expenditure (uranium)	£58,176
Capital Expenditure (acid)	£334,506
Uranium Loan Repayment Instalment, Capital and Interest	£108,154
Amortisation Contributions received from other participants in the Uranium Joint Production Scheme	£63,700

Interest on the additional uranium loan and the contact acid plant loan has been included in the above figures.

The construction of the Contact Acid Plant with a capacity of 150 tons per day was completed and full-scale production of sulphuric acid commenced on 31st October, 1955. Application has been made to extend the plant capacity to 225 tons per day.

An amount of £30,000 in respect of development footage in excess of that required to maintain milling operations at the present rate, has been charged to Capital Account and is included in the total of £386,542.

ORE RESERVES.—The ore reserves at 31st December, 1955, amounted to 3,506,000 tons at an average value of 8.67 dwts. per ton over an estimated stoping width of 36 in., equivalent to 312 in-dwts.

	Footage Payable	Per cent payable	Av. value dwt./ton	Reef Channel Width, in.	In.-dwt.
Vaal Reef	3,855	89.2	101.4	4.4	446
Contact Reef	20	33.3	9.5	35.3	335
Total	3,875	88.5	97.0	4.6	446

SHAFT SINKING.—The deepening of the Margaret Shaft commenced on a limited scale early in 1955. By the end of the quarter under review, 193 ft. had been sunk, the total depth of the shaft being 3,559 ft.

By Order of the Board,

GENERAL MINING AND FINANCE CORPORATION LIMITED,

London Secretaries,
per R. R. BISHOP

London Office:
Winchester House, Old Broad Street, London, E.C.2.
20th January, 1956.

WEST RAND CONSOLIDATED MINES, LTD.

(Incorporated in the Union of South Africa)

	North and South Plants	West Plant	Combined Plants
Ore Milled—tons	456,000	218,000	674,000
Gold Produced—ounces fine	61,018	10,248	71,266
Recovery per ton—dwt.	2.68	0.94	2.11
WORKING REVENUE AND EXPENDITURE :			
Net Profit from Uranium being Gross Revenue less recovery costs (subject to adjustment)	£	£	£
Revenue from Gold	760,736	127,760	888,496
TOTAL WORKING REVENUE	760,736	997,760	1,758,496
Working Costs (Gold only)	723,905	396,743	1,120,648
WORKING PROFIT	36,831	601,017	637,848
Sundry Revenue	40,379	493	40,872
TOTAL PROFIT	£77,210	£601,510	£678,720
	s. d.	s. d.	s. d.
Working Revenue—per ton milled	33 4	91 6	52 2
Working Costs—per ton milled	31 9	36 5	33 3
Working Profit—per ton milled	1 7	55 1	18 11
Additional revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955			£5,770
Provision for taxation			£217,000
Capital Expenditure (excluding Uranium Plant)			£140,831
Eighth quarterly instalment towards repayment of Uranium Loan Funds received up to 31st December, 1954 (made up of Capital £53,885 and Interest £20,587)			£74,472
URANIUM PRODUCTION. —Capital Expenditure on the uranium and related plants was £18,422, which amount has been fully met from loan funds.			
SHAFT SINKING. —The Monarch Shaft was sunk 1,708 ft. during the quarter to its final depth of 3,419 ft. below the collar, the respective monthly footages accomplished being as follows :—			
October (31 days)		724 ft.	
November (30 days)		555 ft.	
December (24 days)		429 ft.	
DEVELOPMENT. —The total footage advanced during the quarter was 32,607 ft. of which 19,351 ft. were accomplished on the Bird Reef Series, and 13,256 ft. on			

the Main, Livingstone and Kimberley Reefs Series. Of the latter footage 5,325 ft. were sampled, giving the following results :—

	Footage Payable	Percentage Payable	Av. value dwt.	Reef Channel widths, in.	In.-dwt.
Main Reef	1,655	69.10	8.25	41.26	340
South Reef	1,315	68.85	12.32	22.77	281
Livingstone Reef	710	69.61	6.92	45.18	313
Kimberley Reef	—	—	—	—	—
Totals	3,680	69.11	8.86	35.41	314

The above values represent actual results of sampling, no allowance having been made for any reductions which, subsequently, were considered necessary when compiling the ore reserve.

Of the 19,351 ft. advanced on the Bird Reef Series, 7,480 ft. were sampled of which 6,605 ft., equivalent to 88.30 per cent proved payable on a combined Gold/Uranium content.

ORE RESERVES.—The fully developed ore reserve recalculated as at 31st December, 1955, amounted to 5,900,000 tons having an average value of 3.2 dwt. per ton over a stopping width of 51 in., excluding 740,000 tons with an average value of 4.6 dwt. per ton over a stopping width of 43 in., acting as Shaft Pillars on the Main and Kimberley Reefs series.

This tonnage is made up of 4,283,000 tons at 3.5 dwt. per ton over 47 in., fully developed and available for stopping in the Main and Kimberley Reefs series and 1,617,000 tons at 2.6 dwt. per ton over 65 in., fully developed and available for stopping in the Livingstone Reef series.

The Bird Reef series has been excluded from the Ore Reserve for the reason that these reefs are being worked on a combined Gold-Uranium basis.

DIVIDENDS.—The following final dividends were declared for the year 1955, payable to all shareholders registered on the 31st December, 1955 :—

Dividend No. 49 of 20 per cent (equal to 2s. per share) on the Ordinary Shares. Dividend No. 40 of £5 13s. 4d. per share on the Deferred Shares.

By Order of the Board,

GENERAL MINING AND FINANCE CORPORATION LIMITED,

London Secretaries
per R. R. BISHOP.

London Office :
Winchester House, Old Broad Street, E.C.2.
20th January 1956.

levels will be explored with consequent additions to reserves. It is, perhaps, worth mentioning that there is an undeveloped block lying in the property's north-western corner which has, as yet, received no attention. Although this is not large, it could prove to be above average in gold content.

Generally speaking, the absence of a comprehensive system of boreholes at Blyvoor makes it impossible at present even to guess what values in the undeveloped southern part might be. To exploit this area, the company is at present engaged in driving twin haulages south from both Nos. 1 and 2 shafts with the object of siting two sub-vertical shafts near the southern border. So far, No. 1 shaft haulage has received priority and is now well advanced on its way. The progress of these haulages will, therefore, be of the greatest significance during coming months. Good values in Blyvoor's southern area could considerably enhance the outlook.

While in the short term the mine will be faced with substantial capital expenditure in connection with opening up operations which will, no doubt, restrict dividends, the long term prospect is one of considerable promise. Although little is yet known of the mine as a whole, conditions on the West Wits Line have so far proved very favourable. There seems no particular reason at this stage to doubt that they will continue to be so.

Blyvoor's 2s. 6d. shares are currently quoted at around 22s. 6d. which compares with the peak point in 1955 of 33s. to yield about 9 per cent. This would certainly not seem to be dear particularly as the statistical evidence presented in the tables accompanying this supplement clearly shows that the maintenance of the dividend at the June level of 1s 1d. per share is not in danger; the real question being will it be raised next June?

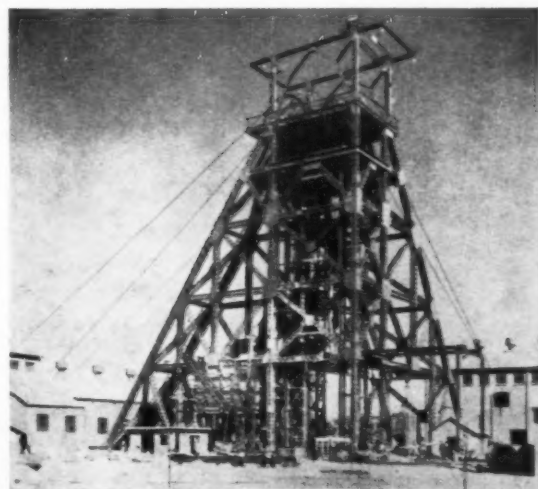
HARMONY—A SHARE WORTH BUYING

Harmony Gold Mining, also in the Central Mining Group, revealed improved development results in its December quarterly. During the past three months 3,140 feet of Basal Reef was sampled of which 70 per cent proved payable with an average value of 15.7 dwt. gold per ton over a channel width of 30 in., equivalent to 471 in. dwt. This latter figure compares with 410 in. dwt. in the September quarter and 376 in. dwt. in the June quarter and indicates that the company may now be returning to its earlier form when quarterly values were over 500 in. dwt. An important development at this property is the driving of twin haulages from the No. 3 shaft towards the new No. 2 shaft; the original surface drilling programme gave some

high value borehole results in this part of the property. With ore reserves at 8 dwt. per ton, the expectation of increasing hoisting capacity to 200,000 tons a month two or three years hence, expanding profits from uranium (December quarter earnings totalled £169,400 against £145,366 in September quarter) this mine is worth watching particularly if the development results in the No. 2 shaft area are sufficiently high to raise further the average gold content per ton of ore on the property. Meanwhile, the 5s. shares at around 26s. are at their lowest point since 1953 which contrasts oddly with their peak price of 39s. 4½d. reached at one time last year.

The latest quarterly reports from mines in the Anglo American Corporation group highlighted the results achieved at Free State Geduld. At this property development values on reef improved from 720 in. dwt. in the September quarter to 793 in. dwt., the payability remaining the same at 90 per cent. These values included 190 ft. of development sampled from the drive from Western Holdings which again gave 100 per cent payability

(Continued on page 19)



The No. 3 shaft headgear, Harmony G.M. Co., with main hoists at 90 deg. to one another

UNION CORPORATION, LIMITED.

(Incorporated in the Union of South Africa)

Directors' Reports of Gold Mining Companies Incorporated in the Union of South Africa, for Quarter ended 31st December 1955.

London Office: Princes House, 95, Gresham Street, London, E.C.2.

EAST GEDULD MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £1,800,000 STOCK IN UNITS OF 4s. EACH

Tons Milled ..	420,000	Gold Produced (in oz. fine) ..	131,641
Yield per Ton Milled (dwt.)	6.27	Per Ton Milled	s. d.
Working Revenue ..	£1,643,877	..	78 3
Working Costs ..	672,013	..	32 0
WORKING PROFIT ..	971,864	..	46 3
Additional Revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955 ..			
			9,442
			981,306
Sundry Revenue including dividends, less Sundry Expenditure ..			44,158
TOTAL PROFIT (subject to Taxation and Government's share) ..			£1,025,464
Estimated Taxation and Government's share of profit ..			£526,700
Capital Expenditure ..			£2,017
PAYABLE DEVELOPMENT			

DEVELOPMENT:

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	Inch/ dwt.
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Main Reef ..	3,583	1,635	1,110	68	12.4	25	311
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A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND: On 9th December, 1955, Dividend No. 48 of 2s. 3d. per unit of stock was declared payable to stockholders registered at 31st December, 1955. Dividend Warrants will be posted about 7th February, 1956.

PAYABLE ORE RESERVES:

	Tons	Av. value dwt.	Est'd stoping width - in.
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Ore Reserves at 31.12.55 ..	10,700,000	5.8	52
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GEDULD PROPRIETARY MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £1,460,857 IN SHARES OF £1 EACH

Tons Milled ..	312,000	Gold Produced (in oz. fine) ..	49,625
Yield per Ton Milled (dwt.) ..	3.18	Per Ton Milled	s. d.
Working Revenue ..	£621,452	..	39 10
Working Costs ..	490,584	..	31 5
WORKING PROFIT ..	130,868	..	8 5
Additional Revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955 ..			
			3,179
			134,047
Sundry Revenue, including dividends, less Sundry Expenditure ..			408,154
TOTAL PROFIT (subject to Taxation) ..			£542,201
Estimated Taxation ..			£45,000
Capital Expenditure ..			£ Nil
PAYABLE DEVELOPMENT			

DEVELOPMENT:

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	Inch/ dwt.
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Black Reef ..	2,892	2,410	1,240	51	3.5	80	278
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Kimberley Reef ..	1,108	630	50	8	5.4	38	204
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A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND: On 9th December, 1955, Dividend No. 82 of 8s. 0d. per share was declared payable to shareholders registered at 31st December, 1955. Dividend warrants will be posted about 7th February, 1956.

PAYABLE ORE RESERVES:

	Tons	Av. value dwt.	Est'd stoping width - in.
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Ore Reserves at 31.12.55 ..	1,500,000	3.6	54
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THE GROOTVLEI PROPRIETARY MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £2,859,704 STOCK IN UNITS OF 5s. EACH

Tons Milled ..	572,000	Gold Produced (in oz. fine) ..	124,835
Yield per Ton Milled (dwt.) ..	4.37	Per Ton Milled	s. d.
Working Revenue ..	£1,559,590	..	54 6
Working Costs ..	829,953	..	29 0
WORKING PROFIT ..	729,637	..	25 6
Additional Revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955 ..			
			7,807
			737,444
Sundry Revenue less Sundry Expenditure ..			9,177
TOTAL PROFIT (subject to Taxation and Government's share) ..			£746,621
Estimated Taxation and Government's share of profit ..			£378,700
Capital Expenditure ..			£ Nil
PAYABLE DEVELOPMENT			

DEVELOPMENT:

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	Inch/ dwt.
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Main Reef ..	5,704	3,760	1,885	50	16.2	13	210
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Kimberley Reef ..	963	675	290	43	23.2	6	139
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A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND: On 9th December, 1955, Dividend No. 34 of 1s. 4d. per unit of stock was declared payable to stockholders registered at 31st December, 1955. Dividend Warrants will be posted about 7th February, 1956.

PAYABLE ORE RESERVES:

	Tons	Av. value dwt.	Est'd stoping width - in.
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Ore Reserves at 31.12.55 ..	15,500,000	4.6	47
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MARIEVALE CONSOLIDATED MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £2,250,000 IN SHARES OF 10s. EACH

Tons Milled ..	214,000	Gold Produced (in oz. fine) ..	55,645
Yield per Ton Milled (dwt.) ..	5.20	Per Ton Milled	s. d.
Working Revenue ..	£695,684	..	65 0
Working Costs ..	428,884	..	40 1
WORKING PROFIT ..	266,800	..	24 11
Additional Revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955 ..			
			3,432
			270,232
Sundry Revenue less Sundry Expenditure ..			4,456
TOTAL PROFIT (subject to Taxation and Government's share) ..			£274,688
Estimated Taxation and Government's share of profit ..			£120,200
Capital Expenditure ..			£26,805
PAYABLE DEVELOPMENT			

DEVELOPMENT:

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	Inch/ dwt.
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Main Reef ..	3,840	2,955	1,485	50	20.1	16	321
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Kimberley Reef ..	5,252	3,320	1,330	40	6.5	33	211
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A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

DIVIDEND: On 9th December, 1955, Dividend No. 31 of 1s. 3d. per share was declared payable to shareholders registered at 31st December, 1955. Dividend Warrants will be posted about 7th February, 1956.

PAYABLE ORE RESERVES:

	Tons	Av. value dwt.	Est'd stoping width - in.
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Ore Reserves at 31.12.55 ..	4,500,000	5.4	47
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ST. HELENA GOLD MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL £4,812,500 IN SHARES OF 10s. EACH

Tons Milled .. 300,000	Gold Produced (in oz. fine) 85,456		
	Yield per Ton Milled (dwt.) .. 5.70		
		Per Ton Milled	s. d.
Working Revenue	£1,067,831	71	2
Working Costs	617,658	41	2
WORKING PROFIT	450,173	30	0
Additional Revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955			
	5,320		
Sundry Expenditure less Sundry Revenue	455,493		
	11,746		
TOTAL PROFIT (subject to Taxation and Government's share)	£443,747		
Estimated Taxation and Government's share of profit	£ Nil		
Capital Expenditure	£480,646		

PAYABLE DEVELOPMENT

DEVELOPMENT :

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	In. dwt.
Basal Reef ..	9,713	3,610	2,325	64	12.3	29	357

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

No. 2 SHAFT was sunk 641 ft. to a total depth of 869 ft. below surface.

REDUCTION PLANT : Construction work on the extension of the reduction plant is well advanced and is nearing completion.

PAYABLE ORE RESERVES :

	Tons	Av. value dwt.	Est'd. stoping width - in.
Ore Reserves at 31.12.55	3,000,000	6.0	55

VAN DYK CONSOLIDATED MINES, LTD.

(Incorporated in the Union of South Africa)

ISSUED CAPITAL ... £2,766,000 IN SHARES OF 10s. EACH

Tons Milled .. 240,000	Gold Produced (in oz. fine) .. 38,497		
	Yield per Ton Milled (dwt.) .. 3.21		
		Per Ton Milled	s. d.
Working Revenue	£480,936	40	1
Working Costs	472,921	39	5
WORKING PROFIT	8,015		8
Additional Revenue received during the quarter in respect of gold sold to the Reserve Bank for the period March/July, 1955			
	2,521		
Sundry Revenue less Sundry Expenditure	10,536		
	1,018		
TOTAL PROFIT (subject to Taxation and Government's share)	£11,554		
Estimated Taxation and Government's share of profit	£ Nil		
Capital Expenditure	£ Nil		

PAYABLE DEVELOPMENT

DEVELOPMENT :

	Footage driven	Footage sampled	Footage payable	%	Av. value dwt.	Width in.	In. dwt.
Main Reef—all Shafts ..	5,424	4,375	1,140	26	9.9	26	257
No. 5 Shaft area included above ..	2,075	1,780	740	42	8.6	28	241

A discount has been applied to development values to conform with adjustments which are necessary in estimating the ore reserve at the year-end.

PAYABLE ORE RESERVES :

	Tons	Av. value dwt.	Est'd. stoping width - in.
Ore Reserves at 31.12.55	800,000	3.8	45

and averaged 1.821 in. dwt., but the most significant announcement was the confirmation of previous rumours that an underground connection had been effected between Free State Geduld's Nos. 1 and 2 shafts. As this event had not been expected to take place until about April (at the end of November, 1955, the ends were 1,400 ft. apart) the exceptional progress made possible by absence of undue water difficulties can be appreciated. Legal restrictions governing numbers of staff employed underground will now no longer apply and it is thus

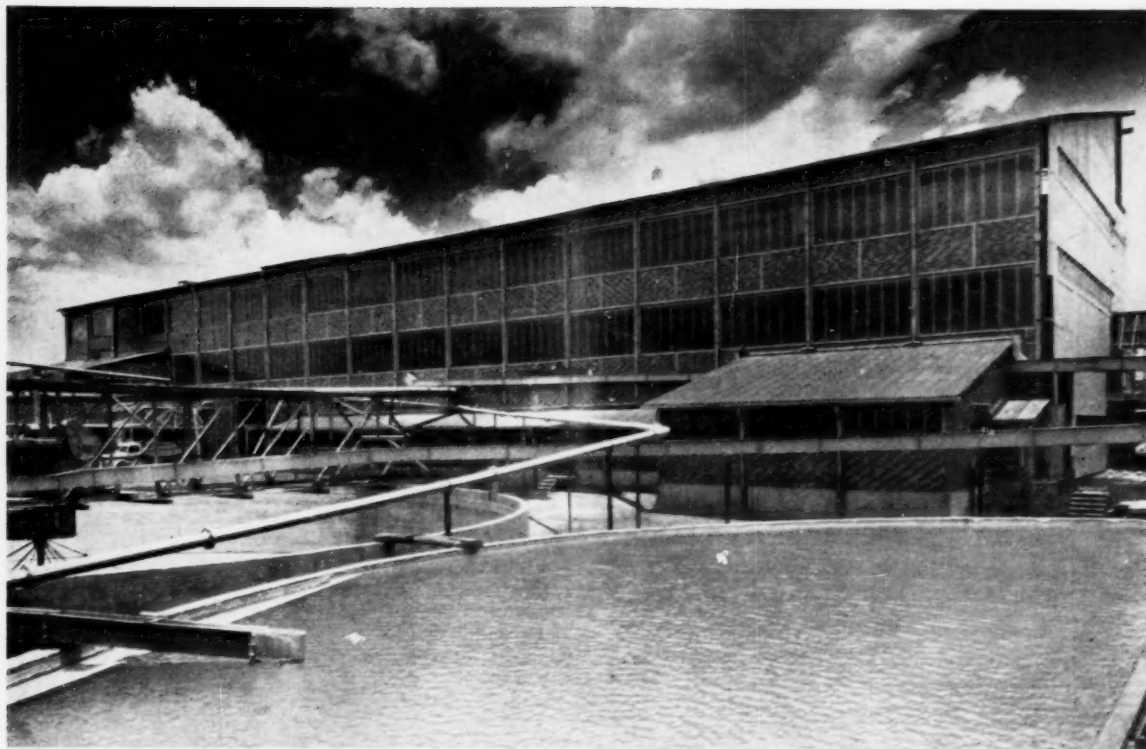
possible that development operations in No. 1 shaft area may be pushed ahead more rapidly. On the other hand excess labour might be transferred for work in the section south of No. 2 shaft.

If the first course were adopted, a swift build-up from the envisaged initial throughput of 30,000 tons might reasonably be anticipated. But if operations were diverted to No. 2 shaft

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Shaft headgear at Blyvooruitzicht



A general view of the reduction works near No. 2 Shaft at West Driefontein, taken while under construction.

Mr. Oppenheimer's estimate that holing between Western Holdings 41 haulage north and F.S. Geduld's 43 haulage would take place some time before the second quarter of 1956 might be put forward. Bearing this in mind, the eagerly awaited development results from between the two boreholes assaying 23,037 in. dwt. and 12,528 in. dwt. respectively on the common border could appear sooner than expected. The importance as a market factor of this possibility cannot be over emphasised.

The two presidents, Brand and Steyn, showed up well. Brand was able to report development values exceeding 1,000 in. dwt.—1,053 in. dwt. to be precise—and 88 per cent payability from 4,970 ft. sampled. At Steyn, where development results had been falling away recently owing to the necessity of driving in the area between No. 1 and No. 2 shafts, the quarterly results confounded expectations that values would not improve until operations were resumed in the southern section by disclosing 94 per cent payability and 480 in. dwt. against 92 per cent payability and 398 in. dwt. in the September three months.

Welkom, which has been a particularly weak issue in the market, reported payability up from the September quarter by 6 per cent to 81 per cent and values of 450 in. dwt. compared with 410 in. dwt. previously. Of the older mines in the group Brakpan produced the excellent figure of 953 in. dwt. which compared with 763 in. dwt. in the previous three months. This is the best result obtained from the footwall reef to date, although in terms of mill grade its value can be considerably depreciated as payability was only 27 per cent, although even this was an improvement on the 23 per cent and 763 in. dwt. obtained in the September quarter.

Loraine Gold in the Northern Free State surprised by announcing the very good results of 52 per cent payability and 786 in. dwt. from 1,625 ft. sampled on the "B" Reef. Although these results were slightly below that obtained in the previous quarter from this reef, they are far and away above values obtained from the Basal Reef which has slumped to around 240 in. dwt. and holds out hopes for the mine's future if de-

velopment on the "B" reef continues satisfactorily.

Freddies Consolidated, whose future working life must be held in some doubt, once again announced very creditable development results. Of the 3,795 ft. sampled 63 per cent proved payable and averaged 396 in. dwt. Moreover, ore reserves at the end of 1955 totalled 885,400 tons at 5.0 dwt. over 41 in. This represented a slight improvement over the previous tonnage figure of 815,000 tons at 4.2 dwt. over 44 in. at the end of 1954.

Merriespruit, Hartebeestfontein, and Stilfontein brought encouragement to shareholders. Hartebeest, which entered the list of producers last July reported payability of 96 per cent yielding 464 in. dwt. Merriespruit, in the same group, reported the best values from development results since the March quarter of 1955. Payability was 60 per cent of the 3,015 ft. sampled and the average payability from the Leader and Basal reefs was 12.96 dwt. per ton over a channel width of 34.8 in., equivalent to 451 in. dwt. These figures compare with 56 per cent payability and 294 in. dwt. announced for the September quarter. The quarterly also stated that the company's reduction plant, having an initial capacity of 75,000 tons per month, was sufficiently advanced for trial milling to start last month.

The results reported in the December quarterly from Stilfontein were most encouraging. Payability on the Vaal reef was 89 per cent and the average in. dwt. figure obtained was 446 in. dwt. These figures were the best recorded in any three-month period since underground development work began at the close of 1950. The improvement is particularly heartening as reef development is now advancing towards the Margaret Shaft sited near the centre of the property. By the end of last year, Stilfontein's ore reserves had improved in average gold content from 8.26 dwt. per ton to 8.67 dwt., and the tonnage at 3,506,000 represents over three years' supply allowing for the current mill capacity of 90,000 tons a month. This must be regarded as a satisfactory position at this stage of the mine's growth, bearing in mind that the ultimate mill target is set at 150,000 tons monthly.